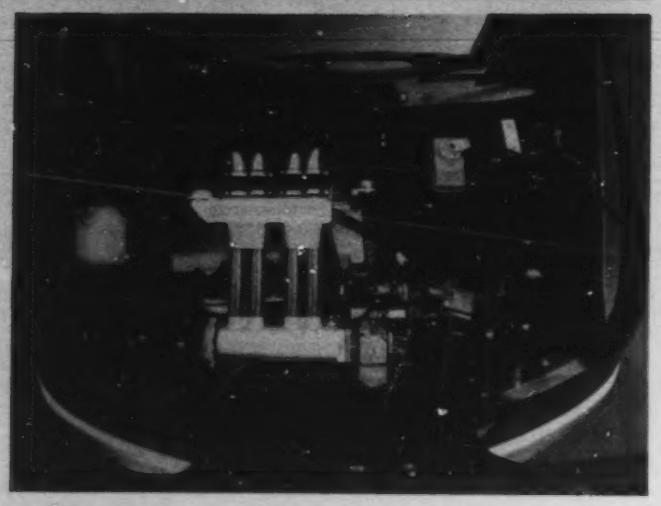

### High-tech Eltec

Ford of Europe's high-tech research vehicle, the Eltec, is a front-drive, five-door sedan bristling with electronic controls. The power plant is a light-alloy four-cylinder 1.3-liter engine. The body is reminiscent of recent Ford thinking as far as front and rear-end treatments are concerned, and the interior treatment could be out of one of today's cars. Eltec has flush-fitting glass, an electronically controlled sunroof and deployable underbody aerodynamics components.

**Decision on Canadian site due this month**

# Will Hyundai build a U.S. plant?

**By Richard Johnson**
Detroit Reporter

Hyundai Motor Co., the South Korean auto maker which plans to produce cars in Canada before the end of the decade, may soon consider building an auto assembly plant in the U.S.

Meanwhile, a spokeswoman for Hyundai Auto Canada said a decision on where to locate the company's announced Canadian plant is scheduled to be made this month.

While labeling talk of U.S. car and parts manufacturing facilities "premature," a Hyundai Motor America representative said last week that the company's actions in Canada could foreshadow U.S. strategy.

Hyundai, which began selling cars in Canada 20 months ago, announced plans to construct an $18 million parts plant near Toronto earlier this year, and late last month said it would build a $150 million car-assembly plant in Canada.

In January, Hyundai will begin selling its Pony Excel subcompact in the U.S. through a dealer network expected to be 200-strong by late 1986.

"We can't make any plans until we know how the U.S. market will receive our car," said Bruce Matthias, Hyundai Motor America's national public affairs manager.

"But I will point to what we have done in Canada as a substantive indication. We don't wait 20-25 years until our brains are beat out politically before we start to build plants in nations where we are importing."

Hyundai officials in Korea have made it clear that they want to be viewed as a good trading partner. In announcing the Canadian plant recently, Hyundai President Chung Se Yung said, "We believe that first and foremost, our company must act as a good corporate citizen wherever we do business."

Hyundai hopes to sell 100,000 cars here next year on the East and West coasts and through the Sunbelt. The front-wheel-drive Excel subcompacts will be priced between $5,000 and $7,000.

• In late 1986 or early 1987, Hyundai plans to launch the compact Stellar sedan in the U.S., and it is planning another model in 1988.

Asked if the South Korean company will consider a U.S. car plant after its cars go on sale next year, Matthias said, "Oh sure. If our cars are received in the U.S. with a level of enthusiasm comparable to the way they are being received in Canada, that would be a possibility. We would look into it."

He also said a parts manufacturing facility in the U.S. "is a possibility."

The Hyundai Auto Canada spokeswoman last week said a decision on where to locate the new Canadian plant is scheduled to be made in September. She said the firm is awaiting the results of a survey by Lavalin International, Inc., a Montreal-based consultant

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# Smith predicts bigger market share for GM

**By Mary Connelly**
Detroit Reporter

General Motors Chairman Roger B. Smith predicted last week that GM will increase its market share "substantially" in the 1986 model year and that growth in car sales will outpace growth in trucks.

GM lost about 3 percentage points in market share during the first 11 months of the 1985 model year, falling to 42.33 percent of the industry total.

Smith also predicted that U.S. vehicle sales for the 1985 model year will set a record of 15.4 million units, surpassing by 100,000 vehicles the previous peak reached in 1978. It would be only the second time in history that U.S. sales have exceeded 15 million cars and trucks.

GM anticipates sales of 10.8 million cars and 4.6 million trucks in the 1985 model year with the truck sales also breaking a 1978 sales record of four million.

U.S. vehicle sales for the 1986 model year could also top 15 million, Smith said, adding that another record year is possible if the Federal Government resolves trade and budget deficits and tax reform.

Smith said he agreed with forecasts that current economic growth rates will not be sustained throughout 1986 unless such issues are tackled.

"We have a real shot at surpassing 15 million units once again, and perhaps another new record if everything works the way we hope it will," Smith said of the 1986 model year.

Smith blamed a loss of GM market share in the 1985 model year on strikes by the UAW in the U.S. and Canada last fall and plant shutdowns due to model changeovers.

"I look to a substantial increase in market share in 1986 with the new models," Smith said. He cited new sedan versions of the Pontiac Grand Am, Buick Skylark and Oldsmobile Calais; the new front-wheel-drive Buick LeSabre and Oldsmobile Delta 88, and the redesigned Buick Riviera, Oldsmobile Toronado and Cadillac Eldorado and Seville.

Although truck sales have been strong, Smith said growth in car sales will exceed that of trucks because of the new models.

Substantial across-the-board cuts in the workforce are "behind us," Smith said, adding that future reductions will come primarily through attrition.

Smith discussed those matters

Please turn to Page 49, Col. 2

# Toyota to import Toyotas from U.S. to Japan

TOKYO.—For the first time in its history, Toyota Motor Corp. will import motor vehicles for sale in the Japanese market.

As part of a program to increase imports to Japan, Toyota said it will "re-import" its Celicas from the U.S. after they are customized into convertibles by ASC, Inc., Southgate, Mich. Ten sample cars, which will be left-hand drive, will be imported later this year.

Toyota said the date for putting the convertibles on sale and the number to be imported will be decided after the company completes a study to determine how many of the cars can be absorbed by the Japanese market.

Toyota said it will be the first Japanese auto maker to import cars it has exported from Japan.

**Electronic vehicle displayed at Frankfurt**

# Ford Eltec a hint of the future

**By Richard Feast**
European Editor

FRANKFURT, West Germany.—Ford of Europe's high-tech research vehicle, shown publicly for the first time last week at the Frankfurt Motor Show here, is a pointer to what its cars will be like in a decade.

The Eltec (Electronic Technology) is a front-drive, five-door family sedan that bristles with electronic controls.

The EEC-IV control system is responsible for the engine, the continuously variable transmission, the air suspension which reacts to both load and speed, the anti-lock brakes, engine cooling, preventing the wheels from spinning and the vehicle's entire electrical system.

It is a joint project between Ford R&D teams in the U.K. and West Germany. It was 18 months in preparation and will undergo a further two years of research.

Ford predicted that fuel economy of better than 42 MPG can be expected in city driving.

• Mike Westbrook, Ford's manager of electronic research, said, "Eltec incorporates some of the most advanced examples of electronics working for the customer yet seen. Although the car is futuristic, its emphasis is on practical, viable systems which can be used on ordinary production cars within the next decade."

Eltec's power unit is a light-alloy four-cylinder 1.3-liter engine. It features two inlet valves and one exhaust valve per cylinder and produces 70 BHP.

The body, while futuristic, is reminiscent of recent Ford thinking as far as the frontal and rear-end treatments are concerned. It has flush-fitting glass and an electronically controlled sunroof.

Ford said the body has a revolutionary metallic paint that will retain a showroom shine throughout the life of the vehicle. Final body construction was completed by Ford's Ghia operation in Turin.

Among Eltec's other features are an anti-lock and wheelspin control developed in conjunction with Kugelfischer and the use of Uniroyal Conti's new tires which eliminate the need for a spare.

The Conti tire fits onto the outer face of the wheel rim, so that if a tire loses pressure the car can still be driven without damaging the tire. A radio signal informs the driver if the tire is damaged.

**Lane seeks increased share, too**

# Olds shoots for a million again

**By Louise Kertesz**
Detroit Reporter

BIRMINGHAM, Mich.—William W. Lane, Oldsmobile general manager, expects the division's dealers to sell 1,175,000 cars in the 1986 model year, 110,000 units (10.33 percent) more than the 1,065,000 it projects for this model year.

• Product story, Page 36

Though Oldsmobile did not reach the record 1,363,000 sales anticipated for this year, "selling over a million cars again can't be all bad," Lane said last week at the national press preview of the division's 1986 models.

Sales of more than a million Oldsmobiles were posted in the 1984, 1979 and 1977 model years.

Lane said that Oldsmobile's goal for 1986 is 11.2 percent of the total market of 10.5 million new cars, up from a current share of 9.9 percent.

A year ago, Oldsmobile's market-share forecast for the 1985 season was 12 percent.

Questioned about the projected increase in market share for 1986, Lane said, "Based on our track record, our optimism is credible. We're currently selling in a strong third place for the 11th consecutive model year.

"In 1975, when we took over third, we had a 78,000-unit lead over fourth place. In the current model year, this lead over our nearest competitor (Buick) has increased to about 152,000 cars," he said.

Asked whether Oldsmobile was closing the gap with the No. 2 seller (Ford Division), Lane said

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# truck industry news

**Light-duties gain; mediums, heavies decline**

## August truck sales rise 10 pct.

By Joseph Bohn
Truck Editor

Truck sales continued to boom along at record levels in August and for the eight-month period, led by the light-duty segment.

Medium and heavy-duty sales fell off last month.

The general industry falloff in larger trucks was reflected at Ford and Chevrolet. GMC, however, showed a lot of strength in medium-duty sales, nearly doubling its year-ago total. But, like other manufacturers, its heavy-duty count was off.

Tables on Page 32

The industry retailed 345,116 trucks in August, up 9.7 percent from 314,578 a year earlier, according to preliminary reports from MVMA and the manufacturers.

Bolstered by incentives, Class 1-2 light-duty sales were up 10.8 percent in August. The industry retailed 323,210 light duties, up from 291,628 last year.

Sales would have been higher if dealers' inventories hadn't been reduced by an earlier haulers' strike.

Class 4-6 medium-duty sales totaled 4,995 in August, down slightly from 5,012 a year earlier.

Here, GMC bucked an industry trend by chalking up 3,080 medium-duty sales, nearly double last year's 1,558.

Ford's medium-duty tally of 3,077 was off from 3,281; while Chevrolet's total of 1,998 was off from 2,019 last year.

Class 7-8 heavy-duty sales totaled 16,911 last month, off from 17,938 in 1984.

In that segment, Ford retailed 982 trucks, off from 1,081 last year; while GMC retailed 1,137, compared with 1,524 a year ago.

For eight months, the industry retailed 3,162,504 trucks, up 14.4 percent from 2,763,993 a year earlier.

Light-duty sales of 2,973,930 were up 15.1 percent from 2,584,021 in 1984.

Medium-duty sales of 34,293 were off from 38,908 for the eight-month period of 1984.

Heavy-duty sales of 154,281 were up from 141,064 in the year-earlier period.

Chevrolet, buoyed by its Astro, continued to build its lead over Ford.

Chevrolet retailed 102,636 trucks last month, up 22.1 percent from August, 1984.

Ford retailed 85,068 trucks, up 2.4 percent from 83,053 a year earlier.

Calendar-year-to-date, Chevrolet retailed 880,458 trucks, up from 768,671 last year, while Ford retailed 856,834 compared with 781,279 in 1984.

The real race, though, is for model-year leadership.

Through the end of August, Chevrolet trailed Ford by 2,900 units though it appeared to have the momentum to overtake Ford in September.

Chevrolet had truck sales leadership in the 1983 calendar and model year, but lost it to Ford in 1984.

The leadership claim is important for promotional purposes.

Among other nameplates, Chrysler retailed 37,619 trucks in August, up 15.2 percent.

It retailed 423,725 trucks for the eight-month period, up 20.5 percent from last year.

GMC retailed 26,508 light duties in August, up 39.6 percent, and 212,971 for the eight months, up 11.2 percent.

Jeep retailed 13,049 trucks in August, up 19.1 percent, and 165,544 for eight months, up 6.9 percent from a year earlier.

The imports had an uncharacteristic 5.8 percent decline in August on sales of 64,387 versus 68,325 a year earlier.

That was mainly attributable to

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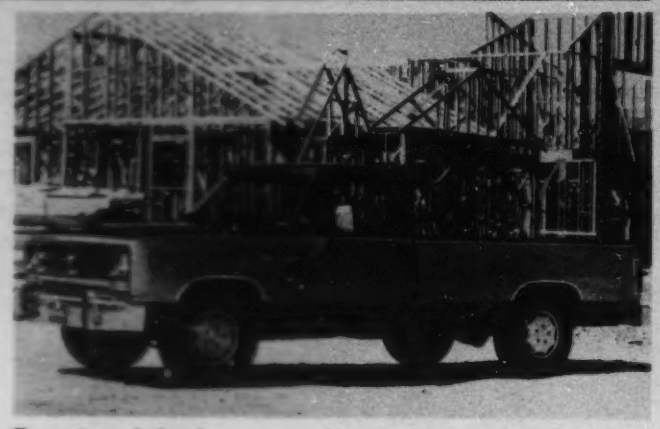

**Ram tough look**

The 1986 Dodge full-size pickups have a new grille, lights and larger bumpers to create a tougher look and improve sheet metal protection.

## Dodge revises look, GVWs on '86 trucks

Dodge has refined the appearance of its 1986 trucks, realigned gross-vehicle-weight (GVW) ratings of full-sized pickups and made some equipment changes.

A new grille, headlight bezels and parking lights on full-size pickups are designed to freshen front appearance, while new larger bumpers are intended to create a "tougher look" and improve sheet-metal protection. The standard grille features a painted insert, and the optional grille has a bright insert.

All full-sized pickups have tinted glass as standard equipment. Steel-belted radial tires are available on 15-inch applications of D and W250 and 350 models.

The light-duty conventionals are available in two body styles—Sweptline and chassis cab. The Utiline style was dropped. All feature three-man cabs.

The two-wheel-drive pickups range from the D100 with a new 4,950-pound GVW to the D350 with an 8,700-pound GVW.

GVW ratings for four-wheel-drive models range from 6,300 pounds for the W100 to 8,510 pounds for the W250. A new 8,510-pound GVW for the D and W250 models provides a heavy-duty three-quarter-ton pickup that runs on regular leaded gasoline, except in California.

Wheelbases for D100 through D350 and W100 through 250 pickups range from 115 to 131 inches.

D250 chassis-cab models are available in 7,500 and 8,510-pound GVW ratings on a 131-inch wheelbase, and 350 chassis-cab models are available in 131-inch, 135-inch and 159-inch wheelbases, with GVW ratings of 8,700 pounds to 10,400 pounds.

Oil pressure and engine coolant temperature gauges and trip odometer are standard on 4WD models for 1986 and optional on other models.

There have been equipment adjustments in the three Prospector discount packages.

Electronically controlled torque converters are standard on most 2WD automatic-transmission models.

On the 1986 Ramcharger, an electronically controlled torque converter is standard on 2WD automatic-transmission models.

A new power convenience package combines power front door locks and power front windows.

Ramcharger features a new grille and front and rear bumpers; standard three-passenger rear seats; 15-inch steel hubcaps and optional deluxe wheel covers; eight new clear-coat paint colors;

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## Jeep eyes big gains with new Comanche

SOUTHFIELD, Mich.—With its new Jeep Comanche pickup, American Motors is entering the compact pickup truck market for the first time this fall.

Derived from the Jeep Cherokee 4WD, the Comanche is being introduced in 2WD and 4WD versions. It will expand Jeep's coverage of the light-truck market to 50 percent compared with 16 percent previously.

Compacts are expected to account for slightly more than half of the projected two million pickup truck sales in 1986.

Within the compact segment, 2WD pickups account for about 75 percent of sales, according to Jose J. Dedeurwaerder, president and chief executive officer of AMC. He considers Comanche a good contender for a share of that.

Comanche is Jeep's first 2WD pickup since 1947.

Comanche features uniframe body construction and Quadralink solid axle front suspension, a 119.7-inch wheelbase, maximum payload of 2,205 pounds, double-walled pickup box and standard 15-inch wheels and tires on both 2WD and 4WD models.

It also offers a choice of two 4WD systems, the Command-Trac part-time transfer case or the Selec-Trac full-time transfer case, both with "shift-on-the-fly" capability.

The 2WD and 4WD models have three engine selections: The new standard throttle body fuel-injected 2.5-liter 4-cylinder, the op-

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**Topping it off**

Glasstite, Inc., Dunnell, Minn., is offering a full door option for its compact fiberglass pickup topper. The door has a center latching mechanism for easy one-hand opening and a prop/hinge assembly that lifts the door up and back for maximum clearance.

## IH nearing truck deal with Nissan

TOKYO.—Nissan Diesel Motor Co. is about to sign an agreement with International Harvester to supply IH with diesel trucks and production technology, beginning early next year, according to a Nissan Diesel spokesman here.

IH Chairman Donald Lennox recently dismissed rumors that IH would enter an agreement to market a Japanese truck.

The Nissan Diesel Motor spokes-man said the firm will start exporting Class 7 trucks with 7.4-liter (452-CID) engines to IH, which will sell them under its own nameplate. Future exports will include medium-duty trucks as well, he added.

Nissan Diesel, currently setting up its own U.S. dealer network, is also negotiating using IH dealers to market trucks with the Nissan Diesel nameplate.

Nissan Diesel will eventually increase IH-bound exports to 3,000 units yearly, equal to 15 percent of its entire 1984 truck output.

It also expects to ship 1,500 to 2,000 trucks to the U.S. for sale through its own dealer network.

# truck personnel

### Isuzu names Goodwin in product planning

**Neil Goodwin** was appointed national product planning manager of Isuzu Truck of America, Inc.

His responsbilities include product planning for Isuzu truck and bus chassis.

Prior to joining Isuzu, he was director of engineering at Iveco Truck and previously spent 13 years with Mack Trucks.

### Raniszeski appointed in Mack realignment

Mack Trucks reorganized its marketing communications and planning department.

**Edward L. Raniszeski**, previously director—marketing planning and research, was appointed director—marketing communications and planning.

He has overall responsibility for Mack's advertising, promotion and trade relations efforts, as well as market research, analysis and planning; marketing training and service training.

**William E. Restmeyer** joined the marketing group as supervisor—trade relations. He is responsible for promotion of Mack's corporate and product image with the trade press, as well as developing and producing collateral literature and editorially reviewing all advertising and related copy.

**Joseph D. Molinaro** joined the marketing group as manager—market research, with responsibility for managing the non-technical research functions for the company.

**Donald C. Vought** was appointed manager-service training, with responsibility for Mack's expanding programs of service training and maintenance and administration of service standards and tool specifications.

Mack also restructured its corporate affairs department, naming **Donald R. Miller** director—government relations, with responsibility for laison with federal and state legislators and formulation of positions on matters affecting Mack and the heavy-truck industry.

**Joseph J. Smurda** became manager—corporate affairs services.

**Donald O. Gross** joined the department as manager—community relations.

**Debra W. Vogel** joined the department as editor—corporate publications.

Meanwhile, **Joseph M. Stulack**, manager—sales promotion for the parts marketing depart-

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**80,000 apply at Wentzville**

# GM job-seekers tested by state

ST. LOUIS.—The General Motors plant in nearby Wentzville, Mo., teamed up with the Missouri State Division of Employment Security to cope with 80,000 applicants for second-shift positions.

Using the General Aptitude Test Battery (GATB), the state tested 18,881 persons. The tests resulted in 4,823 referrals, according to C. Bruce Cornett, director of the Missouri Division of Employment Security. GM had specified that the worker would have to be 18 years old, work on any shift, be a high school graduate or the equivalent and have completed 18 months of steady work or military service.

At Wentzville, production calls for more diverse and higher-level skills than those required by traditional auto assembly lines. For example, "quality operators" are responsible for learning technologically advanced skills needed to perform as many as 16 different tasks.

The GATB measures skills in five job groupings. One, for example, checks general learning ability, verbal aptitude, numerical aptitude, hand and eye coordination, finger dexterity and manual dexterity—all of which are needed by individuals who build cars at Wentzville.

The GATB's ability to test an individual's aptitude for performing a job well is rated at 53 percent. It is the best predictor for potential employe success that is currently available, state officials said.

In addition to supplying money for job testing and subsequent training, the state saved GM considerable time, money and manpower, Cornett said.

Responses from GM were "very positive." After the entire selection had been completed, Wentzville Personnel Director Tom Pilkington told the state officials that the company was pleased with "the ability and reliability of new workers."

The Missouri Division of Manpower Planning and Private Industry Councils of St. Charles and St. Louis allocated $860,000 and $640,000, respectively, for on-the-job training reimbursements. Funds were for dislocated workers and other long-term unemployed hires.

In addition, more than $250,000 was allotted by the state for reimbursement of approximately 50 percent of instructor costs for new hires' orientation and communication-skills training. It was supported jointly by the Manpower Planning Division and the State Department of Elementary and Secondary Education.

When it was announced that the State Job Service offices would begin accepting GM applications, more than 3,000 requests for applications were received in the first two hours at St. Charles, Mo., the office closest to Wentzville.

In a two-week period, the office received more than 80,000 applicants and that could have tied up the automobile plant for weeks.

## Light trucks pace August to 10 percent gain

Continued from Page 14

inventory shortages, and to Toyota which was hardest hit by lack of product.

Year-to-date, import sales of 548,237 were still 24.5 percent ahead of 440,493 in the eight-month period a year ago.

Strapped by a lack of product, Toyota truck sales of 23,741 last month were off sharply from 37,322 in August, 1984.

For eight months, Toyota retailed 223,737, up 23.3 percent from 181,528 a year earlier.

Nissan's sales of 22,932 last month were up sharply from 15,912 a year ago.

For eight months, Nissan retailed 183,165, up from 140,914 last year.

Mazda's sales of 9,929 were up from 9,316 on a monthly basis. Its eight-month sales still trail last year, 74,040 compared with 80,636 a year ago.

Isuzu sales of 6,546 for the month were up from 4,517 a year earlier. Its eight-month sales of 50,671 were up from 27,397 a year earlier.

Mitsubishi sales of 1,239 in August were slightly below 1,258 a year earlier. Its eight-month sales of 16,624 were up from 10,018 last year.

## Stiff penalties in odometer case

PROVIDENCE.—Emilio DiSanto, 47 an East Greenwich (R.I.) used-car dealer, was fined $260,000 and sentenced to four years in prison by Judge Francis J. Boyle in U.S. District Court for odometer tampering.

DiSanto was indicated last Sept. on 38 counts. In November, he pleaded guilty to seven counts.

Cyril L. Kennedy, 58, a former DiSanto employe, who had pleaded guilty to six of 19 counts, was fined $25,000 and sentenced to an 18-month prison term.

### MAJOR MANUFACTURERS BY SEGMENT

| | August | | Year-to-Date | |
|---|---|---|---|---|
| | 1985 | 1984 | 1985 | 1984 |
| Light-Duty | 81,009 | 78,691 | 815,925 | 745,826 |
| Medium-Duty | 3,077 | 3,281 | 30,442 | 27,242 |
| Heavy-Duty | 982 | 1,081 | 10,467 | 8,211 |
| **Ford Total** | **85,068** | **83,053** | **856,834** | **781,279** |
| Light-Duty | 100,638 | 82,019 | 867,528 | 755,736 |
| Medium-Duty | 1,998 | 2,019 | 12,930 | 12,935 |
| **Chevrolet Total** | **102,636** | **84,038** | **880,458** | **768,671** |
| Light-Duty | 26,508 | 18,985 | 212,971 | 191,559 |
| Medium-Duty | 3,080 | 1,558 | 19,808 | 18,430 |
| Heavy-Duty | 1,137 | 1,524 | 7,675 | 9,797 |
| **GMC Total** | **30,725** | **22,067** | **240,454** | **219,786** |

### LIGHT-DUTY AUGUST, YEAR-TO-DATE SALES

| | August | | Year-to-Date | |
|---|---|---|---|---|
| | 1985 | 1984 | 1985 | 1984 |
| Vans | 12,847 | 9,665 | 126,368 | 112,582 |
| Aerostar | 2,275 | 0 | 3,000 | 0 |
| Club Wagon | 1,408 | 1,178 | 22,447 | 20,366 |
| Ranger | 12,970 | 16,986 | 165,760 | 149,962 |
| Bronco | 3,103 | 2,709 | 33,639 | 30,509 |
| Bronco II | 5,996 | 8,319 | 67,043 | 66,833 |
| Pickups | 42,410 | 39,834 | 397,668 | 365,574 |
| **Ford** | **81,009** | **78,691** | **815,925** | **745,826** |
| Vans | 11,012 | 11,782 | 105,140 | 114,077 |
| Sportsvan | 1,154 | 1,745 | 15,504 | 16,952 |
| Astro | 11,552 | 0 | 64,290 | 0 |
| S-10 | 13,017 | 13,481 | 144,124 | 132,267 |
| S-10 Blazer | 12,028 | 11,528 | 116,164 | 94,432 |
| El Camino | 1,715 | 1,637 | 13,796 | 16,947 |
| Blazer | 3,539 | 3,661 | 30,030 | 32,839 |
| Suburban | 3,785 | 3,564 | 40,031 | 34,999 |
| Pickups | 42,836 | 34,621 | 338,449 | 313,223 |
| **Chevrolet** | **100,638** | **82,019** | **867,528** | **755,736** |
| Vans | 4,596 | 4,470 | 43,273 | 50,331 |
| Ram Wagon | 2,825 | 1,861 | 28,085 | 29,068 |
| Voyager | 4,938 | 4,026 | 72,685 | 54,796 |
| Caravan | 5,294 | 4,213 | 77,630 | 56,840 |
| Mini Ram Van | 1,439 | 1,857 | 16,741 | 11,827 |
| Ram 50 | 3,526 | 4,819 | 45,375 | 32,026 |
| Other Plymouth Trucks | 0 | 0 | 0 | 378 |
| Ramcharger | 2,014 | 1,586 | 24,273 | 18,923 |
| Rampage | 0 | 787 | 0 | 7,449 |
| Pickups | 12,987 | 9,030 | 115,663 | 90,030 |
| **Chrysler** | **37,619** | **32,649** | **423,725** | **351,668** |
| Vans | 3,456 | 3,432 | 28,230 | 32,671 |
| Safari | 2,741 | 0 | 14,828 | 0 |
| S-15 | 2,762 | 3,267 | 32,518 | 30,706 |
| S-15 Jimmy | 2,859 | 2,427 | 26,585 | 22,484 |
| Jimmy | 623 | 531 | 5,801 | 6,008 |
| Caballero | 176 | 205 | 1,708 | 1,967 |
| Suburban | 1,361 | 1,071 | 12,303 | 11,040 |
| Pickups | 11,907 | 7,616 | 85,962 | 82,805 |
| P Model | 623 | 436 | 5,036 | 3,878 |
| **GMC** | **26,508** | **18,985** | **212,971** | **191,559** |
| CJ | 3,134 | 3,522 | 24,610 | 26,867 |
| Wagoneer | 976 | 1,209 | 8,400 | 13,151 |
| Cherokee | 6,600 | 4,539 | 59,813 | 42,666 |
| Grand Wagoneer | 2,250 | 1,517 | 10,198 | 11,693 |
| Pickups | 89 | 172 | 2,523 | 4,362 |
| **Jeep** | **13,049** | **10,959** | **105,544** | **98,739** |
| Toyota | 23,741 | 37,322 | 223,737 | 181,528 |
| Nissan | 22,932 | 15,912 | 183,165 | 140,914 |
| Mazda | 9,929 | 9,316 | 74,040 | 80,636 |
| Isuzu | 6,546 | 4,517 | 50,671 | 27,397 |
| Mitsubishi | 1,239 | 1,258 | 16,624 | 10,018 |
| **Imports** | **64,387** | **68,325** | **548,237** | **440,493** |
| **Industry Total** | **323,218** | **291,628** | **2,973,930** | **2,584,021** |

*Nissan includes domestically-built units in Tennessee

# used-car auction directory

**MINNESOTA**

**WEDNESDAY 12 NOON SALE DAY**
Sept. 18—Chrysler Factory Sale, 11 A.M., plus Imports
Sept. 25—End of the Month Sale (Special Consignments) + Big PURE Sale
Thurs., Sept. 26—Semi-Monthly Fleet & Lease Sale, 5 PM — 6 Lanes of Selling
**Minneapolis Auto Auction**
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612/546-2403
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**OHIO**

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EPHRATA, PA.
**SALE TUESDAY, 10:30 A.M.**
FULL SERVICE AUCTION
Out of state fleet & lease accounts welcome
Contact: **J. Omar Landis, Jim Landis**
P.O. BOX 501, EPHRATA, PA. 17522
717-733-7917

**PENNSYLVANIA**

P A D E — Every Wednesday
SERVING DEALERS AND FLEETS SINCE 1957
**Pennsylvania Auto Dealers' Exchange, Inc.**
P.O. BOX 41 YORK, PA 17405
PHONE (717) 266-6611

**PENNSYLVANIA**

**Hatfield Auto Auction,** Route 309, Box 309, Hatfield, Pa. 215-822-1935. Every Tuesday-11 A.M. Pickup service.

**SOUTH CAROLINA**

**Rawls Auto Auction** — Since 1938. Pickup, delivery unlimited. Recon facilities. Sale every Tues., 11 A.M. 803-657-5111 or 657-7244, Leesville, South Carolina.

**SOUTH CAROLINA**

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Harrisonburg, Va. 22801-1086
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**WE WILL PROVIDE THE EXCITEMENT**
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**(500 are already sold)**
**ATTEND OUR EXCITEMENT SALES**

| | | | |
|---|---|---|---|
| **September 17**<br>D-A A.A.<br>**412/722-3122** | **September 18**<br>Columbus, OH 43207<br>**614/497-2000** | **September 19**<br>Telford, PA 18969<br>**215/721-1300**<br><br>Corry A.A.<br>Corry, PA 16407<br>**814/664-7721** | |
| **September 24**<br>Aptco Auto Auction<br>Taylor, MI 48180<br>**313/285-7300** | **September 25**<br>Kansas City, A.A.<br>Kansas City, MO 64161<br>**816/452-4084** | **September 26**<br>Minneapolis Northstar A.A.<br>Shakopee, MN 55379<br>**612/445-5544** | **September 27**<br>Floyd Hauhe A.A.<br>St. Louis, MO 63044<br>**314/739-1300** |
| High Point A.A.<br>High Point, N.C. 27261<br>**919/886-7091** | Metropolitan Milwaukee A.A.<br>Caledonia, WI 53108<br>**612/546-2403** | Evansville A.A.<br>Evansville, IN 47714<br>**812/435-4576** | |

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# factories list auction dates

### American Motors

Sept. 17—D-A Auto Auction, New Stanton, Pa., and Arena Auto Auction, Chicago.

Sept. 18—Columbus Fair Auto Auction, Obetz, O.; Mid-States Auto Auction, South Bend, and Central States Auto Auction, Mason City, Ia.

Sept. 19—Todd Auto Auction, Telford, Pa.; Evansville Auto Auction, Evansville, Ind., and Minneapolis Northstar Auto Auction, Shakopee, Minn.

Sept. 24—High Point Auto Auction, High Point, N.C., and Aptco Auto Auction, Taylor, Mich.

Sept. 25—Kansas City Auto Auction, Kansas City, Mid-States Auto Auction, South Bend, and Metro Milwaukee Auto Auction, Caledonia, Wis.

Sept. 26—Northway Exchange, Clifton Park, N.Y.; Corry Auto Auction, Corry, Pa., and Minneapolis Northstar Auto Auction, Shakopee, Minn.

Sept. 27—Floyd Hauhe Auto Auction, Bridgeton, Mo.

### Chrysler Corp.

Sept. 17—Hatfield Auto Auction, Hatfield, Pa.; Aptco Auto Auction, Taylor, Mich., and Golden Gate Auto Auction, Fremont, Calif.

Sept. 18—Butler Auto Auction, Gibsonia, Pa.; Sand Mountain Auto Auction, Boaz, Ala.; Dallas Auto Auction, Grand Prairie, Tex., and Minneapolis Auto Auction, Plymouth, Minn.

Sept. 19—Clanton's Auto Auction, Darlington, S.C., and Indianapolis Auto Auction, Indianapolis.

Sept. 20—Concord Auto Auction, Acton, Mass., and Floyd Hauhe Auto Auction, Bridgeton, Mo.

Sept. 24—Hatfield Auto Auction, Hatfield, Pa.; Arena Auto Auction, Chicago; Metro Auto Auction of Kansas City, Lee's Summit, Mo., and Florida Auto Auction of Orlando, Ocoee, Fla.

Sept. 25—Southern Auto Auction, Warehouse Point, Conn.; Columbus Fair Auto Auction, Obetz, O.; Southwest Auto Auction, Phoenix, and South Seattle Auto Auction, Kent, Wash.

Sept. 26—Atlanta Auto Auction, Red Oak, Ga., and Fredericksburg Auto Auction, Fredericksburg, Va.

Oct. 1—Hatfield Auto Auction, Hatfield, Pa.; Aptco Auto Auction, Taylor, Mich.; Golden Gate Auto Auction, Fremont, Calif., and Nu-CarPrep System, Santa Fe Springs, Calif.

Oct. 2—Butler Auto Auction, Gibsonia, Pa.; Sand Mountain Auto Auction, Boaz, Ala.; Dallas Auto Auction, Grand Prairie, Tex., and Minneapolis Auto Auction, Plymouth, Minn.

Oct. 3—Clanton's Auto Auction, Darlington, S.C., and Indianapolis Auto Auction, Indianapolis.

Oct. 4—Concord Auto Auction, Acton, Mass., and Floyd Hauge Auto Auction, Bridgeton, Mo.

### Ford Motor Co.

Sept. 18—Golden Gate Auto Auction, Fremont, Calif.

Sept. 24—Denver Auto Auction, Englewood, Colo.

Sept. 26—Big H Auto Auction, Hoston, and Arena Auto Auction, Chicago.

### General Motors

Sept. 17—Southern Auto Auction, E. Windsor, Conn.; South Seattle Auto Auction, Kent, Wash., and 166 Auto Auction, Springfield, Mo.

Sept. 18—Clanton's Auto Auction, Darlington, S.C.; Indianapolis Auto Auction, Indianapolis, and Hatfield Auto Auction, Hatfield, Pa.

Sept. 25—Brasher's Salt Lake Auto Auction, Salt Lake City, and Metro Auto Auction, Kansas City, Mo.

Sept. 26—Butler Auto Auction, Gibsonia, Pa.; Arena Auto Auction, Chicago, and Big H Auto Auction, Houston.

## Leasing firm merges with Anglo American

NEW YORK.—Anglo American Auto Auctions, Inc., has merged with Sandgate Corp.

In payment for Anglo American, Sandgate issued 1.2 million shares of Sandgate common stock to the British Car Auction Group, former owner of Anglo American.

BCA already owned 390,000 shares of Sandgate common stock. With the 1.2 million shares it acquired in the merger, BCA now owns about 73 percent of the Sandgate common stock now outstanding.

Anglo American operates 11 vehicle auction centers, which it has acquired since its formation in April, 1982. Anglo's auction centers are in Nashville, Kansas City, Omaha, Dallas, Minneapolis, Detroit, Chicago, San Francisco, West Palm Beach, Fort Lauderdale and Baltimore.

The British Car Auction Group is the leading vehicle auction company in the U.K. Through subsidiaries, BCA operates 14 vehicle auction centers in the U.K.

Sandgate, through its wholly owned subsidiary, All-State Vehicles, Inc., operates a vehicle leasing business in offices throughout the U.S.

**Used Car Sales**
**Auction Averages**

| | |
|---|---|
| Sept. to date | $5,024 |
| Month ago | $5,457 |
| Year ago | $4,990 |

**Model Breakdown**
**Auction Averages**

| | SEPT., 1985 | AUGUST, 1985 | JULY, 1985 |
|---|---|---|---|
| 1985 .... | $9,766 | $11,068 | $10,804 |
| 1984 .... | $7,357 | $7,762 | $7,727 |
| 1983 .... | $5,864 | $5,923 | $5,971 |
| 1982 .... | $5,032 | $5,094 | $5,326 |
| 1981 .... | $4,088 | $4,228 | $4,141 |
| 1980 .... | $3,199 | $3,185 | $3,245 |
| 1979 .... | $2,810 | $2,585 | $2,590 |
| 1978 .... | $2,074 | $2,099 | $2,139 |
| Overall Average | $5,024 | $5,172 | $4,815 |

## Arkansas dealers elect Aycock

LITTLE ROCK.—The Arkansas Automobile Dealers Assn. has elected Hervey Aycock, Aycock Pontiac, Jonesboro, as its new president.

Other new officers are Jerry Scriber, Jefferson Motors, Pine Bluff, first vice president, and Gerald Jones, Jones Oldsmobile-GMC, Fayetteville, treasurer.

The group installed its new officers during its 51st annual convention held at the Excelsior Hotel here.

**N-car moonroof from Sky-Top**

Sky-Top Sunroofs, Ltd., St. Louis, is marketing a power moonroof to fit the Pontiac Grand Am, Oldsmobile Calais and Buick Somerset Regal. Features include a stainless-steel glass frame, matching trim ring or optional charcoal trim, a privacy sunshade and automatic wind deflector.

# Wisconsin waiver extended on FTC's used-car rule

By Jake Kelderman
Washington Reporter

WASHINGTON.—The FTC has decided to take another 90 days to consider Wisconsin's request that it be given the right to enforce its own used-car rule instead of the FTC's.

The Wisconsin used-car rule is more stringent than the FTC's. The FTC regulation requires only that the used-car dealer reveal, by way of a window sticker, the nature of the sale, what warranties are available and a recommendation that all terms be put in writing.

The Wisconsin rule has been in force for a number of years and previously had been cited by the FTC as a model of the type of rule it had in mind when it first proposed its own used-car rule under the Carter Administration.

Shortly before the FTC's rule went into effect on May 9, Wisconsin Attorney General Bronson LaFollette asked the FTC to exempt the state from it on the grounds that it offered Wisconsin used-car buyers less protection. The FTC subsequently stayed enforcement of its rule in Wisconsin while it considered LaFollete's petition.

That stay was to have ended Sept. 6, but with the 90-day extension, it will remain in effect until Dec. 5.

In extending the deadline, the FTC said it was unlikely that Wisconsin consumers would suffer "significant injury" if the state's petition were denied.

Commissioner Patricia Bailey voted against extending the stay. Bailey is the last of the pre-Reagan FTC commissioners and was the champion of the original used-car rule that would have required used-car dealers to notify buyers of "known defects" in the vehicle.

She said the Wisconsin rule "provides greater protection to consumers than does the weakened FTC rule, and the commission could and should act now to exempt the state from coverage of the federal rule."

## Trial is delayed for Detroiters in conspiracy case

Continued from Page 2

peared in the Detroit Free Press last October.

An unnamed but "high-ranking agency official" was quoted as saying, "We have overwhelming evidence of a conspiracy on hours of operation . . ."

Respondents' lawyers want to know more of the role of the FTC itself, its Bureau of Competition and any lawyers or persons who might have "prejudged" the issue or who may have been guilty of misconduct by talking to the press about a nonpublic investigation.

The attorneys have raised questions about criminal violation of the FTC Act, breaches of ethics and/or FTC policy guidance. They have asked Judge Timony to subpena the FTC.

The FTC staff has explained that the FTC is not a single entity and cannot simply be supenaed; there would have to be ex parte communications among the five commissioners, the law judge and other FTC officials.

Besides, the FTC staff said, law judges do not have jurisdiction to disqualify commissioners, but even if they did, there are no grounds for such action. The FTC staff said the newspaper article merely cited "opinion" and referred to the adequacy of the investigation and the possible basis for a complaint not yet brought.

However, said the staff, if Judge Timony thinks there is need for further investigation, he can refer the matter to the Justice Department, which has enforcement jurisdiction over criminal matters.

### Silver Cain

RUSHVILLE, Ill.—Forrest B. Cain, Rushville Motors, Inc., has received a 25-year-dealer award from Ford Division.

## Will Hyundai consider U.S. as plant site?

Continued from Page 3

firm that was hired to seek a suitable location.

Several provinces are said to be in competition for the plant, which will employ about 1,200 persons by the end of the decade. Canadian sources say the facility is likely to be situated in the Montreal area.

The new plant is scheduled to be in operation by 1988 and to be running at peak capacity two years later. Hyundai has said the entire output of the Canadian plant will be sold in Canada.

"I don't think Hyundai would gain any credibility by building cars in Canada and selling them here," said Matthias. "There is no upside there. That is not part of the plan."

Hyundai sold approximately 25,000 rear-drive Pony subcompacts in Canada in 1984 and has sold more than 40,000 Pony and Stellar cars so far this year, making it the country's No. 1 auto importer.

**Would die if used in federal two-thirds formula**

# California belt bill has a loophole

By Matt DeLorenzo
Los Angeles Reporter

LOS ANGELES.—California's on-again, off-again, seat-belt bill is on again, the result of a compromise that would repeal the law if the Federal Government scraps passive-restraint regulations.

It is also the first state belt-use measure to require auto manufacturers to equip their vehicles with passive belts or air bags by 1989.

House and Sentate conferees, having worked out the compromise, sent the bill to Gov. George Deukmejian, who has voiced support for a mandatory belt-use law.

The legislation was all but dead a week ago when its author, House Speaker Willie Brown, San Francisco Democrat, wanted to scuttle his own bill because he had not received assurances from Transportation Secretary Elizabeth Dole that the bill would not used be by her agency to help rescind passive-restraint regulations.

Passive restraints are to be phased into new cars sold in the U.S, beginning with the 1987 models. Those rules will be rescinded if states with two-thirds of the nation's population adopt mandatory seat-belt-use laws meeting federal standards by April 1, 1989.

Although the California bill contains provisions that do not meet the letter of the federal guidelines for mandatory seat-belt-use legislation, the lack of assurances by Dole that the California bill would not be used toward the two-thirds requirement was enough for Brown to stop the bill.

Brown's original bill had an amendment similar to the one agreed to by the conferees that would repeal the law if DOT used it to scrap passive restraints.

That amendment was considered unacceptable by the Senate, and it was dropped at the urging of the upper-house sponsor, John Foran, San Francisco Democrat. Foran opposed the amendment on the grounds that the mandatory seat-belt-use law should be permanent no matter what the Federal Government does.

When it appeared that the legislature would adjourn for the year on Friday (Sept. 13) with no seat-belt legislation, the Senate apparently relented and the amendment was reinserted. If signed by the governor, the law would take effect Jan. 1, 1986.

The auto industry is going along with bill as the best mandatory legislation attainable.

As written, manufacturers that fail to install passive belts or air bags beginning Jan. 1, 1989, will be fined $500 per non-complying vehicle.

Motorists are subject to a $20 fine for the first offense and $50 for each additional offense for not wearing belts.

# Incentives reduce stock of new cars to 9-month low

Continued from Page 1

supply rose by 15 days, but that was good news for the company because it has consistently run short of the domestic industry's ideal range (35 to 65 days' supply).

This month's unit count was divided this way by maker: GM, 56.45 percent; Ford, 23.05 percent; Chrysler, 15.81 percent; AMC, 2.92 percent; VW (domestic only), 1.17 percent; Nissan, 0.38 percent, and Honda, 0.22 percent.

On Aug. 1, the breakdown was: GM, 56.49 percent; Ford, 21.14 percent; Chrysler, 18.32 percent; American Motors, 2.54 percent; VW, 1.05 percent; Honda, 0.24 percent, and Nissan, 0.22 percent.

By market class, the latest stockpile was divided this way: Subcompact, 18.70 percent; compact, 20.08 percent; intermediate, 34.69 percent; standard, 12.59 percent, and luxury, 13.94 percent.

On Aug. 1, it was shared this way: Subcompact, 18.24 percent; compact, 21.30 percent; intermediate, 33.92 percent; standard, 13.04 percent, and luxury, 13.50 percent.

The Sept. 1 domestic cars by market class and days' supplies:

Subcompact—Nova, 119; Alliance, 102; Encore, 88; Golf, 68; Horizon, 64; Omni, 64; Laser, 60; Charger, 53; Turismo, 53; Chevette, 52; Pontiac 1000, 51; Daytona, 47; Fiero, 47; Lynx, 41; Escort, 40; domestic Nissan Sentra, 40; EXP, 38, and domestic Honda Accord, 8.

Compact—Firenza, 110; Eagle, 103; Skyhawk, 74; LeBaron, 68; Capri, 64; Aries, 55; Cimarron, 53; Reliant, 50; Topaz, 47; Mustang, 46; Sunbird, 41; Tempo, 40; Cavalier, 40; Camaro, 36, and Firebird, 28.

Intermediate—Caravelle, 100; Monte Carlo, 98; New Yorker E and E-Class, 94; Dodge 600, 83; Somerset Regal, 77; Marquis, 69; Lancer, 67; Bonneville, 63; Grand Prix, 59; Citation, 59; Regal, 58; LTD, 56; Skylark, 53; Thunderbird, 51; LeBaron GTS, 50; Calais, 48; Grand Am, 44; Cougar, 42; Celebrity, 40; Pontiac 6000, 39; Century, 39; Cutlass Supreme, 36, and Cutlass Ciera, 34.

Standard—Diplomat, 80; Olds 88, 71; Gran Fury, 70; Chevrolet, 61; Crown Victoria, 61; LeSabre, 51; Grand Marquis, 47, and Parisienne, 46.

Luxury—Seville, 130; Corvette, 122; Eldorado, 117; Toronado, 103; Riviera, 98; Electra, 63; Mark VII, 61; Continental, 60; Fifth Avenue, 57; Cadillac, 53; Lincoln, 49, and Olds Ninety-Eight, 39.

## Sprint tops MPG listing

Continued from Page 1

the Jaguar XJ-S at 13/17 MPG; the Mercedes-Benz 560 SL at 14/17 MPG; the Mercedes-Benz 560 SEC and SEL at 14/16 MPG; the Mercedes-Benz 420 SEL at 15/18 MPG; the Jaguar XJ6 at 15/19 MPG, and the Chevrolet Caprice and Pontiac Parisienne wagons at 15/22 MPG.

In dollars and cents, the difference in fuel costs over a year for the highest and lowest fuel-economy vehicles amounts to $1,710, EPA said.

EPA said the Sprint ER would use $328 worth of gasoline in 15,000 miles of driving, while the Rolls-Royce Camargue would consume $2,038 worth.

The agency said also that the Jaguar XJ-S and XJ6, the Mercedes-Benz 560 SL, SEC and SEL and the Mercedes 420 SEL would be subject to "gas-guzzler" taxes for failing to meet minimum fuel-economy standards set by the Federal Government.

As a low-volume manufacturer, Rolls-Royce/Bentley has other fuel-economy standards and is not subject to the regular gas-guzzler tax.

## NEW-CAR STOCKS

| | Sept. 1, 1985 | Aug. 1, 1985 | Sept. 1, 1984 |
|---|---|---|---|
| Alliance | 102 | 65 | 58 |
| Encore | 77 | 115 | 88 |
| Eagle | 131 | 171 | 90 |
| AMERICAN MOTORS | 70 | 85 | 70 |
| Caravelle | 100 | 103 | ..... |
| Horizon | 64 | 102 | 73 |
| Reliant | 50 | 70 | 80 |
| Turismo/TC-3 | 53 | 73 | 62 |
| Plymouth | 70 | 48 | 62 |
| Plymouth Total | 59 | 48 | 74 |
| LeBaron | 68 | 90 | 58 |
| LeBaron GTS | 50 | 68 | ..... |
| Laser | 60 | 96 | 85 |
| Fifth Avenue | 57 | 110 | 65 |
| N. Yorker E/E-Class | 94 | 122 | 75 |
| Chrysler Total | 64 | 95 | 74 |
| Omni | 64 | 94 | 73 |
| Daytona | 47 | 85 | 91 |
| Charger/024 | 53 | 83 | 69 |
| Aries | 55 | 72 | 92 |
| 400/600 | 83 | 103 | 85 |
| Lancer | 67 | 86 | ..... |
| Diplomat | 80 | 64 | 81 |
| Dodge Total | 61 | 82 | 81 |
| CHRYSLER CORP. | 61 | 85 | 74 |
| EXP | 38 | 52 | 105 |
| Escort | 40 | 51 | 81 |
| Tempo | 40 | 48 | 76 |
| Mustang | 46 | 37 | 57 |
| Thunderbird | 51 | 64 | 83 |
| LTD | 56 | 38 | 71 |
| Crown Victoria | 61 | 61 | 78 |
| Ford Division | 47 | 50 | 76 |
| Lynx | 41 | 66 | 92 |
| Topaz | 47 | 57 | 73 |
| Cougar | 42 | 56 | 54 |
| Marquis | 69 | 44 | 45 |
| Grand Marquis | 47 | 60 | 62 |
| Capri | 64 | 66 | 71 |
| Total Mercury | 48 | 57 | 61 |
| Continental | 60 | 62 | 56 |
| Lincoln | 49 | 51 | 43 |
| Mark VII | 61 | 44 | 94 |
| Lincoln Total | 49 | 52 | 53 |
| FORD MOTOR | 47 | 52 | 70 |
| Skyhawk | 74 | 64 | 45 |
| Skylark | 53 | 44 | 61 |
| Century | 39 | 61 | 40 |
| Regal | 58 | 111 | 47 |
| Somerset Regal | 77 | 105 | ..... |
| LeSabre | 51 | 52 | 49 |
| Electra | 63 | 75 | 25 |
| Riviera | 98 | 78 | 64 |
| Buick Division | 57 | 72 | 48 |
| Cimarron | 53 | 110 | 73 |
| Eldorado | 117 | 81 | 69 |
| Cadillac | 53 | 72 | 22 |
| Seville | 130 | 97 | 62 |
| Cadillac Division | 69 | 78 | 38 |
| Nova | 119 | 84 | ..... |
| Chevette | 52 | 100 | 52 |
| Cavalier | 40 | 58 | 45 |
| Citation | 59 | 101 | 120 |
| Camaro | 36 | 70 | 80 |
| Celebrity | 40 | 51 | 45 |
| Monte Carlo | 98 | 62 | 47 |
| Chevrolet | 61 | 66 | 57 |
| Corvette | 122 | 85 | 86 |
| Chevrolet Division | 50 | 65 | 57 |
| Firenza | 110 | 79 | 68 |
| Cutlass Ciera | 34 | 42 | 27 |
| Cutlass Supreme | 36 | 64 | 35 |
| Calais | 48 | 81 | ..... |
| Olds 88 | 71 | 82 | 35 |
| Olds 98 | 39 | 55 | 32 |
| Toronado | 103 | 91 | 77 |
| Oldsmobile Division | 45 | 58 | 37 |
| Fiero | 47 | 78 | 22 |
| 1000 | 51 | 88 | 58 |
| 2000 Sunbird | 41 | 70 | 55 |
| Firebird | 28 | 52 | 58 |
| 6000 | 39 | 65 | 56 |
| Bonneville | 63 | 85 | 58 |
| Grand Am | 44 | 28 | ..... |
| Grand Prix | 59 | 95 | 60 |
| Pontiac | 46 | 93 | 69 |
| Pontiac Division | 44 | 67 | 54 |
| GENERAL MOTORS | 50 | 66 | 49 |
| VOLKSWAGEN | 68 | 69 | 58 |
| HONDA | 8 | 11 | 21 |
| NISSAN | 40 | 25 | ..... |
| Total U.S. Cars | 51 | 64 | 57 |
| SUBCOMPACT | 51 | 67 | 63 |
| COMPACT | 45 | 63 | 63 |
| INTERMEDIATE | 49 | 62 | 54 |
| STANDARD | 58 | 63 | 56 |
| LUXURY | 64 | 73 | 46 |

Government unlikely to let Japanese firm take over

# GM, Isuzu snagged in Philippines

MANILA, Philippines.—The plan for Isuzu Motors, Ltd., to assume General Motors' equity in its joint-venture assembly operation here has received a setback from the Philippine Government.

Roberto V. Ongpin, trade and industry minister, was quoted as saying Isuzu is not likely to take over the General Motors Philipinas, Inc. (GMP), license in his country's Progressive Car Manufacturing Program (PCMP).

Ongpin, according to the Manila Times, said no member of the PCMP may transfer its license without the approval of the Board of Investments.

Isuzu was negotiating to get the PCMP license of GMP by buying GM's 60-percent stake in the assembly operation. Isuzu already owns 40 percent of GMP, which was formed in 1979 between GM Overseas Distribution Corp. and the Japanese auto maker.

GM idled the two GMP plants in Almanze and Paco, suburbs of Manila, because it lacked knockdown kits and suspended operations completely when workers went on strike after negotiations over severance pay collapsed.

GM was looking for a way to withdraw from the venture by having Isuzu either take over GM's equity entirely or else reverse the 60-40 percent role.

In the first six months of this year, GMP's light utility vans dominated the Philippine market that had declined 60 percent from the year-earlier period due to an economic slowdown. GMP sold 241 units in the six months.

GMP was the third of the original five PCMP companies to fold in the last year. Ford Motor Co. was the first, followed by Delta Motors, a Philippines firm assembling Toyota knockdown kits.

The suspension of GMP operation leaves only two automotive assembly operations in the country—Philipinas Nissan, Inc., assembling Nissan cars, and Canlubang Automotive Resources Co., in which former minority partners Mitsubishi Motors Corp. and Nissho Iwai Corp., a Japanese trading company, took over full control earlier this year. Chrysler Corp. had been involved in the early stages of the company.

Industry sources speculate that the Philippines Government may veto any rearrangement of equity in GMP in order to further reduce the number of original auto companies to the two that are still operating.

## Year's car output now 5.8 million; 4 pct. over 1984

Estimated auto production of 161,076 last week was up 33.15 percent from 120,973 the previous week, which included Labor Day.

Last week's output was 5.00 percent higher than the year-ago week's 153,406.

So far this year, 5,858,064 cars have been assembled, 4.15 percent more than the 5,624,718 built last year at this point.

Last week's estimated auto output broke out as follows: General Motors, 58.94 percent; Ford Motor Co., 18.03 percent; Chrysler Corp. 16.27 percent; American Motors Corp., 1.71 percent; Honda of America Mfg. Co., 1.56 percent; Volkswagen of America, 1.46 percent; New United Motor Mfg., Inc., 1.24 percent and Nissan Motor Mfg. Co., U.S.A., 0.79 percent.

GM plants in Pontiac (G-cars), Lansing (Nos. 1 and 2) and Wentzville, Mo., worked two overtime shifts Saturday (Sept. 14).

Chrysler's St. Louis assembly plant No.2 is scheduled to work two nine-hour daily shifts this week (Sept. 16).

Ford has scheduled daily overtime this week at its plants in Chicago, Dearborn and Wayne, Mich. Saturday (Sept. 21) overtime is scheduled at the Chicago and Dearborn plants.

### Glusac on hospital board

DETROIT.—Michael M. Glusac, Chrysler Corp. director of government affairs, has been appointed to the board of trustees of St. John Hospital here.

## Truck production climbs for week; 75,849 assembled

Domestic manufacturers estimated production of 75,849 trucks last week, 23.72 percent above the previous week's 61,305 and 13.92 percent more than the year-ago week's 66,582.

So far this year, 2,441,432 units have been assembled, 10.19 percent more than the 2,215,605 completed last year at this time.

General Motors' Moraine (O.) plant worked two overtime shifts Saturday (Sept. 14).

Chrysler Corp.'s Warren (Mich.) plant is scheduled to work two nine-hour daily shifts this week.

A strike began last Monday at Ford's truck plant in Lorain, O. The walkout involved health and safety grievances and had not been settled at presstime.

Ford's light-duty-truck plants in Kansas City; Louisville; Wayne, Mich., and Norfolk, Va., are scheduled for daily overtime this week.

## Canadian output moves upward after holiday

Scheduled output of 24,174 cars in Canada last week was 20.29 percent more than the previous (holiday) week's 20,096 and 51.13 percent better than the year-ago week's 15,995.

So far this year, 745,051 cars have been assembled, down 1.71 from last year's 758,000 at this time.

Truck makers pegged production at 18,420 units last week, 24.59 percent more than the previous week's 14,784, and 4.57 percent better than the year-ago week's 17,615.

Year-to-date, 603,820 trucks have been assembled, 5.85 percent more than the 570,434 built last year at this point.

International Harvester's truck plant in Chatham, Ont., was closed last week for inventory adjustment.

## NUMMI to add a second shift

TOYOTA CITY, Japan.—New United Motor Mfg., Inc., Fremont, Calif., will add a second shift by increasing its workforce from the current 1,600 to 2,500 by the end of this year, according to Shoichiro Toyoda, president of Toyota Motor Corp.

Toyoda said the workforce is being expanded because NUMMI, a joint venture between Toyota and General Motors, is scheduled to increase the production of the Chevrolet Nova to an annual rate of 200,000 units next year.

NUMMI also is to start producing cars to be sold through Toyota's dealer network in autumn of 1986. The output for Toyota will be 15,000 units in 1986 and 50,000 in 1987.

### $200 million U.S. job is awarded to EDS

DALLAS.—The U.S. Department of Agriculture has awarded Electronic Data Systems a $200-million contract for an office automation system designed to meet the department's present and future requirements. EDS is a subsidiary of General Motors.

During the 10-year agreement, EDS will provide systems integration for the office automation requirements of the Soil Conservation Service and the Farmers Home Administration.

## U.S. CAR PRODUCTION

| | Week Ended Sept. 14, 1985 | Week Ended Sept. 15, 1984 | Week Ended Sept. 7, 1985 | Sept. to Date | Jan. 1 to Sept. 15, 1984 | Jan. 1 to Sept. 14, 1985 |
|---|---|---|---|---|---|---|
| AMERICAN MOTORS | 2,750 | 4,771 | 2,316 | 5,066 | 140,416 | 80,916 |
| Renault Total | 2,750 | 4,771 | 2,316 | 5,066 | 140,416 | 80,918 |
| Alliance | 2,000 | 3,000 | 1,641 | 3,641 | 78,396 | 51,937 |
| Encore | 750 | 1,771 | 675 | 1,425 | 62,020 | 28,981 |
| CHRYSLER CORP. | 26,200 | 25,279 | 20,419 | 46,619 | 864,529 | 922,329 |
| Plymouth Total | 7,700 | 8,493 | 6,335 | 14,035 | 258,456 | 268,476 |
| Horizon | 2,900 | 3,792 | 2,414 | 5,314 | 112,612 | 104,390 |
| Reliant | 3,600 | 3,416 | 3,107 | 6,707 | 121,783 | 117,444 |
| Caravelle | 900 | 876 | 601 | 1,501 | 8,983 | 34,221 |
| Gran Fury | 300 | 409 | 213 | 513 | 15,080 | 12,421 |
| Chrysler Total | 8,000 | 7,615 | 6,096 | 14,096 | 286,149 | 300,456 |
| LeBaron | 900 | 1,870 | 652 | 1,552 | 83,698 | 65,837 |
| LeBaron GTS | 2,500 | 0 | 1,976 | 4,476 | 0 | 67,890 |
| Laser | 1,000 | 1,225 | 809 | 1,809 | 50,406 | 38,063 |
| New Yorker/E-Class | 1,100 | 1,426 | 841 | 1,941 | 68,665 | 47,690 |
| Fifth Avenue | 2,500 | 3,094 | 1,818 | 4,318 | 83,380 | 80,976 |
| Dodge Total | 10,500 | 9,171 | 7,988 | 18,488 | 319,922 | 353,397 |
| Omni | 2,500 | 3,490 | 1,989 | 4,489 | 106,046 | 101,001 |
| Aries | 3,500 | 2,707 | 2,780 | 6,280 | 96,550 | 98,549 |
| Daytona | 900 | 943 | 718 | 1,618 | 37,492 | 34,509 |
| Dodge 600 | 1,300 | 1,244 | 805 | 2,105 | 53,480 | 46,256 |
| Lancer | 1,600 | 0 | 1,200 | 2,800 | 0 | 47,403 |
| Diplomat | 700 | 787 | 496 | 1,196 | 26,354 | 25,679 |
| FORD MOTOR | 29,047 | 37,344 | 27,012 | 56,059 | 1,240,747 | 1,176,850 |
| Ford Division | 20,773 | 24,920 | 18,414 | 39,187 | 803,923 | 783,035 |
| Escort | 7,667 | 7,471 | 4,821 | 12,488 | 245,420 | 234,225 |
| Mustang | 4,127 | 2,158 | 3,822 | 7,949 | 96,424 | 126,664 |
| LTD | 3,768 | 5,846 | 3,641 | 7,409 | 156,753 | 150,316 |
| Thunderbird | 1,600 | 2,890 | 3,239 | 4,839 | 106,149 | 127,764 |
| Crown Victoria | 0 | 2,002 | 0 | 0 | 58,306 | 7,122 |
| EXP | 0 | 1,301 | 0 | 0 | 27,454 | 3,863 |
| Tempo | 3,611 | 3,252 | 2,891 | 6,502 | 113,417 | 133,081 |
| L-M Division | 8,274 | 12,424 | 8,598 | 16,872 | 436,824 | 393,815 |
| Mercury Total | 5,449 | 9,557 | 6,570 | 12,019 | 318,850 | 279,447 |
| Lynx | 1,249 | 1,664 | 890 | 2,139 | 49,233 | 51,279 |
| Capri | 379 | 244 | 346 | 725 | 11,584 | 13,459 |
| Marquis | 1,432 | 2,187 | 1,447 | 2,879 | 82,374 | 74,886 |
| Cougar | 800 | 2,593 | 2,619 | 3,419 | 80,142 | 93,704 |
| Grand Marquis | 0 | 2,181 | 0 | 0 | 65,843 | 4,733 |
| Topaz | 1,589 | 688 | 1,268 | 2,857 | 29,674 | 41,386 |
| Lincoln Total | 2,825 | 2,867 | 2,028 | 4,853 | 117,974 | 114,368 |
| Continental | 398 | 522 | 278 | 676 | 26,857 | 18,567 |
| Lincoln | 2,118 | 2,031 | 1,515 | 3,633 | 71,034 | 83,115 |
| Mark VI/VII | 309 | 314 | 235 | 544 | 20,083 | 12,686 |
| GENERAL MOTORS | 94,937 | 83,204 | 65,933 | 160,870 | 3,227,452 | 3,450,622 |
| Buick Total | 21,343 | 18,189 | 14,665 | 36,008 | 707,758 | 716,996 |
| Skylark | 0 | 2,651 | 0 | 0 | 75,628 | 40,953 |
| Skyhawk | 1,610 | 1,955 | 1,259 | 2,869 | 102,856 | 76,034 |
| Somerset Regal | 3,522 | 1,119 | 2,515 | 6,037 | 3,548 | 87,632 |
| Century | 7,038 | 3,795 | 5,220 | 12,258 | 160,864 | 194,694 |
| Regal | 3,965 | 2,432 | 2,290 | 6,255 | 139,092 | 94,981 |
| LeSabre/Electra(rwd) | 485 | 3,605 | 318 | 803 | 150,358 | 88,797 |
| Riviera | 80 | 903 | 12 | 92 | 36,812 | 45,387 |
| Electra(fwd) | 4,643 | 1,729 | 3,051 | 7,694 | 38,600 | 88,518 |
| Cadillac Total | 3,985 | 7,188 | 2,682 | 6,667 | 237,492 | 250,161 |
| Cimarron | 0 | 436 | 0 | 0 | 12,560 | 19,076 |
| Seville | 66 | 585 | 11 | 77 | 27,742 | 27,306 |
| Eldorado | 85 | 1,305 | 17 | 102 | 55,456 | 51,856 |
| Cadillac (rwd) | 579 | 1,430 | 13 | 592 | 90,259 | 30,641 |
| DeVille (fwd) | 3,2[illegible] | 3,432 | 2,641 | 5,896 | 51,475 | 121,282 |
| Chevrolet Total | 32,7[illegible] | 28,447 | 22,248 | 55,023 | 1,111,423 | 1,159,560 |
| Chevette | 2,469 | 3,412 | 1,903 | 4,372 | 134,069 | 115,288 |
| Cavalier | 9,355 | 9,366 | 7,437 | 16,792 | 300,152 | 350,197 |
| Celebrity | 5,351 | 4,562 | 3,279 | 8,630 | 209,503 | 194,383 |
| Camaro | 3,929 | 2,876 | 2,469 | 6,389 | 182,504 | 148,890 |
| Citation | 0 | 2,202 | 0 | 0 | 82,941 | 28,697 |
| Malibu/El Camino | 0 | 374 | 0 | 0 | 17,712 | 1,199 |
| Monte Carlo | 2,831 | 1,319 | 2,306 | 5,137 | 77,719 | 99,678 |
| Chevrolet | 7,849 | 3,840 | 4,049 | 11,898 | 82,502 | 188,244 |
| Corvette | 1,000 | 496 | 805 | 1,805 | 24,321 | 32,984 |
| Oldsmobile Total | 20,731 | 17,979 | 13,976 | 34,707 | 785,944 | 854,610 |
| Omega | 0 | 0 | 0 | 0 | 29,289 | 0 |
| Firenza | 1,145 | 1,439 | 977 | 2,122 | 51,201 | 45,720 |
| Cutlass Supreme | 5,479 | 4,826 | 3,455 | 8,934 | 192,897 | 164,117 |
| Cutlass Ciera | 5,460 | 2,810 | 4,205 | 9,665 | 188,854 | 252,138 |
| 88/98 (rwd) | 902 | 4,490 | 0 | 902 | 237,661 | 160,147 |
| Olds 98 (fwd) | 4,187 | 2,583 | 2,976 | 7,163 | 49,365 | 99,970 |
| Calais | 3,498 | 1,141 | 2,325 | 5,823 | 4,390 | 105,822 |
| Toronado | 60 | 690 | 38 | 98 | 32,287 | 27,236 |
| Pontiac Total | 16,103 | 11,401 | 12,362 | 28,465 | 384,835 | 469,295 |
| Acadian** | 0 | 46 | 394 | 394 | 11,389 | 9,673 |
| 2000 Sunbird | 2,670 | 3,069 | 2,302 | 4,972 | 105,881 | 99,974 |
| 1000 | 1,199 | 836 | 920 | 2,119 | 29,149 | 18,771 |
| Firebird | 2,074 | 1,527 | 1,317 | 3,391 | 84,596 | 79,531 |
| Phoenix | 0 | 0 | 0 | 0 | 14,116 | 0 |
| 6000 | 715 | 0 | 542 | 1,257 | 0 | 37,494 |
| Grand Prix/Bon'vle | 0 | 0 | 0 | 0 | 29,733 | 0 |
| Parisienne | 2,545 | 2,313 | 1,747 | 4,292 | 21,134 | 54,010 |
| Fiero | 2,400 | 2,567 | 1,915 | 4,315 | 86,983 | 79,217 |
| Grand Am | 4,500 | 1,043 | 3,225 | 7,725 | 1,854 | 90,625 |
| HONDA | 2,512 | 2,539 | 2,871 | 5,383 | 95,131 | 106,207 |
| NISSAN | 1,280 | 0 | 1,022 | 2,302 | 0 | 21,878 |
| NUMMI (Nova)* | 2,000 | 0 | 1,400 | 3,400 | 0 | 31,074 |
| VOLKSWAGEN | 2,350 | 289 | 0 | 2,350 | 56,443 | 66,186 |
| Total Cars, U.S. | 161,076 | 153,406 | 120,973 | 282,049 | 5,624,718 | 5,858,064 |
| Total Cars, Canada | 24,174 | 15,995 | 20,096 | 44,270 | 758,000 | 745,051 |
| N. American Cars | 185,250 | 169,401 | 141,069 | 326,319 | 6,382,718 | 6,603,115 |
| N. American Trucks | 94,269 | 84,197 | 76,089 | 170,358 | 2,786,039 | 3,045,252 |
| North American Cars and Trucks | 279,519 | 253,598 | 217,158 | 496,677 | 9,168,757 | 9,648,367 |

*—Revised estimate.
**—All Acadians are built for sale in Canada.
Monthly estimates may contain error of one or two units due to rounding.

## CANADIAN CAR PRODUCTION

| | Week Ended Sept. 14, 1985 | Week Ended Sept. 15, 1984 | Week Ended Sept. 7, 1985 | Sept. to Date | Jan. 1 to Sept. 15, 1984 | Jan. 1 to Sept. 14, 1985 |
|---|---|---|---|---|---|---|
| AMERICAN MOTORS | 410 | 610 | 328 | 738 | 15,763 | 7,459 |
| FORD MOTOR | 9,629 | 5,233 | 9,010 | 18,639 | 305,426 | 350,699 |
| GENERAL MOTORS | 13,910 | 9,927 | 10,578 | 24,488 | 429,475 | 379,807 |
| VOLVO | 225 | 225 | 180 | 405 | 7,336 | 7,086 |
| Total Cars, Canada | 24,174 | 15,995 | 20,096 | 44,270 | 758,000 | 745,051 |

## U.S. TRUCK PRODUCTION☆

| | Week Ended Sept. 14, 1985 | Week Ended Sept. 15, 1984 | Week Ended Sept. 7, 1985 | Sept. to Date | Jan. 1 to Sept. 15, 1984 | Jan. 1 to Sept. 14, 1985 |
|---|---|---|---|---|---|---|
| CHEVROLET | 25,870 | 20,025 | 18,874 | 44,744 | 713,303 | 838,361 |
| DODGE | 4,600 | 5,066 | 4,574 | 9,174 | 145,827 | 152,672 |
| FORD | 25,061 | 25,932 | 21,674 | 46,735 | 832,828 | 838,569 |
| GMC | 7,616 | 7,070 | 6,037 | 13,653 | 231,812 | 263,175 |
| INTERNATIONAL | 1,812 | 1,478 | 1,325 | 3,137 | 53,754 | 54,349 |
| JEEP | 6,300 | 3,932 | 5,000 | 11,300 | 132,548 | 150,433 |
| NISSAN | 2,540 | 2,029 | 2,031 | 4,571 | 66,673 | 75,540 |
| AM GENERAL | 50 | 50 | 40 | 90 | 1,860 | 1,780 |
| MISCELLANEOUS | 2,000 | 1,000 | 1,750 | 3,750 | 37,000 | 66,553 |
| Total Trucks, U.S. | 75,849 | 66,582 | 61,305 | 137,154 | 2,215,605 | 2,441,432 |

## CANADIAN TRUCK PRODUCTION

| | Week Ended Sept. 14, 1985 | Week Ended Sept. 15, 1984 | Week Ended Sept. 7, 1985 | Sept. to Date | Jan. 1 to Sept. 15, 1984 | Jan. 1 to Sept. 14, 1985 |
|---|---|---|---|---|---|---|
| CHRYSLER | 8,796 | 8,150 | 7,383 | 16,179 | 252,241 | 281,290 |
| FORD | 3,648 | 3,262 | 2,790 | 6,438 | 107,610 | 114,581 |
| GENERAL MOTORS | 5,976 | 5,986 | 4,427 | 10,403 | 204,860 | 200,643 |
| INTERNATIONAL | 0 | 217 | 184 | 184 | 5,723 | 7,306 |
| Total Trucks, Canada | 18,420 | 17,615 | 14,784 | 33,204 | 570,434 | 603,820 |
| N. American Trucks | 94,269 | 84,197 | 76,089 | 170,358 | 2,786,039 | 3,045,252 |

☆—Now includes window van production. *—Estimated
Jeep includes commercial only. AM General includes government-destined vehicles.
Miscellaneous includes estimates for Mack, Volvo-White, Kenworth, Peterbilt, Freightliner, Mercedes-Benz, etc.
Monthly estimates may contain error of one or two units due to rounding.

C27004


# Automotive News

September 23, 1985

60th year—$45 per year, $1.00 per copy


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## Chrysler for '86

### Hot performer for Dodge

A hot one from Dodge, the Daytona is offered as a base model and as the Daytona Turbo Z. Front and rear ends have been modified slightly for the new model year. Tinted glass and 14-inch aluminum wheels have been made standard. Also standard on both models is an AM/FM/stereo radio with six speakers in the doors, rear body panels and instrument panel. Story, other pictures are on Page 40.

### Fifth Avenue stresses luxury

Luxury, classic styling, traditional rear-wheel drive and eight-cylinders under the hood. That's what the buyers of Chrysler Fifth Avenue are seeking. With room for six, the car is Chrysler's largest sedan and its sales have been increasing regularly in recent years. Changes are minimal for 1986. Story, other pictures are on Page 30.

### From Plymouth for 1986

The folks at Plymouth say their Caravelle counts size among its major attractions. The spacious front-drive job provides seating for six passengers, a good-sized trunk and a comfortable ride. Story, other pictures are on Page 22.

# Turmoil in South Africa imperils U.S. car output

By Dan McCosh
Detroit Reporter

How long could auto companies keep producing cars should the racial and political turmoil in South Africa cut off supplies of strategic metals?

The question is increasingly on the minds of auto executives in Tokyo, the U.S. and Western Europe as strikes and riots protesting South Africa's apartheid policies escalate.

The answer, it seems, is not long.

The near-total dependence of auto makers in the U.S., Australia, Japan and some countries in Western Europe on a steady supply of scarce rhodium, a precious metal used in automotive catalysts, leaves the auto industry in a precarious position if South African mines are shut down, according to auto purchasing executives and metal industry specialists.

That's because virtually all the rhodium used by auto makers today comes from South Africa.

Rhodium is a critical component of the so-called "three-way" catalysts installed on almost all passenger cars in countries that enforce stringent emission standards.

Although each car catalyst contains only about one one-hundredth of an ounce of the material, auto industry demand annually consumes about half of the rhodium produced worldwide, with the remainder critical to oil-refining, glassmaking and certain electronic components.

Rhodium became significant to the auto industry in 1981, when tightened U.S. emission standards reduced the acceptable levels of NOx—a pollutant sometimes blamed for the creation of Los Angeles smog. Previously, catalysts using platinum and palladium—likewise scarce, but more readily available than rhodium—could meet the standards.

Today's catalysts use several mixtures of platinum, palladium and rhodium and contain about twice the amount of precious metal that was used in the mid-1970s.

A geologic quirk has placed virtually all of the free world's supply of rhodium-bearing ore in a rock formation called the Merensky Reef—a bowl-shaped deposit roughly the area of Manhattan Island located in Bophuthatswana, a black township in northeastern South Africa.

• The only other major outcropping is in the Soviet Union, which is not considered a reliable source by auto makers. The Merensky Reef is located on the tribal homelands of the Bafokeng tribe, which leases the mineral rights on a long-term basis to white-owned South African mining interests.

So far, the labor unrest that has shut down other other South African mining operations has not reached the Rustenberg or Impala mines in Bophuthatswana.

Some observers feel that the relatively high pay in the platinum and rhodium mining industry has been a factor in keeping the peace, although the deep, hard-rock mining in shafts only 36 inches high and 3,000 feet below ground ranks with the most difficult in the world.

The predominantly male workforce in the Merensky Reef mines is mainly recruited for short stints from outlying areas, with 20,000 to 30,000 workers living in huge work camps supervised by the mining companies—a black population subject to South Africa's apartheid system of racial segregation.

"There have been no interruptions, so far it hasn't been a problem," said Gordon Bassett, pre-

Please turn to Page 72, Col. 1

# Import stocks padded by Japanese makes

By Kathleen Hamilton
Assistant Managing Editor

Domestic incentives apparently kept buyers away from captive imports in the same showrooms, pushing inventories of Japanese cars to a seven-month high. The combination of slower import-truck sales and a surge in shipments after the end of the haulers' strike pumped the import-truck stockpile to a seven-month high, too.

September opened with 293,268 imported cars in the U.S., slightly more than on Aug. 1, when there were 291,871 and the Teamsters were in the middle of their strike against the transport companies. All in all, though, the import-car inventory has remained in a narrow range since June 1.

On Sept. 1, 1984, there were 184,513 import cars in stock.

The latest stockpile translates into a 31-day supply of new imported cars, up from Aug. 1's 29 days to the same level it was on July 1. On Sept. 1, 1984, there was only a 24-day supply of imported cars.

In contrast to the increase in the import-car supplies, the domestic car makers sliced their inventories last month to a nine-month low.

Even though the Japanese-car supply was the highest since Feb. 1, 25 days' worth of cars can hardly be considered overstocked. Importers generally aim for 50 to 75 days' worth of cars, although under quotas the Japanese have been operating at half or less of that "ideal" level.

The inventory of imported light trucks (including Nissan's Tennessee-built trucks) jumped to 99,748 on Sept. 1 from 74,720 on Aug. 1 and 75,352 on Sept. 1, 1984. The latest inventory number was the highest count since Feb. 1, when there were 101,619 import trucks in the U.S.

The Sept. 1 truck days-supply figure (40 days) was the highest in eight months; it reached 45 days on Jan. 1. The Aug. 1 figure was half of what it was at the start of this month. On Sept. 1, 1984, there was a 28-day supply of new imported light trucks.

Back to the car figures: Many of the giant leaps in days-supply figures were attributable to inventories that soared during the month. Examples: Sprint, both

Please turn to Page 73, Col. 4

**Rundell talks of fresh marketing approach**

# Saturn eyes new franchise ideas

By John A. Russell
New York Staff Writer

NEW YORK—The present franchise system could be in for a major change when Saturn goes on stream. The General Motors unit is studying new ways of marketing its cars.

C. Reid Rundell, executive vice president of Saturn Corp., made it clear last week that Saturn is taking a new approach. He said that while present GM dealers will get the first crack at the franchise, Saturn will have fewer dealers than many current domestic makes.

Speaking at the International Motor Press Assn. meeting here, Rundell said the company may "depart from the traditional" methods and is studying other franchise operations, including those in the fast-food industry, for concepts.

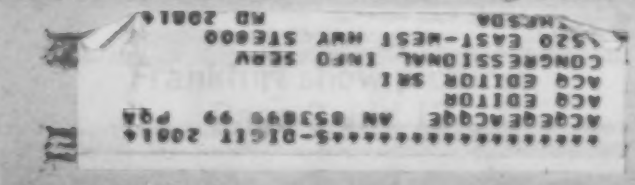
He drew particular attention to the McDonald's operation in which the company owns the land.

After the meeting, he said the sales and service agreement "could be different" and that another possibility is creating marketing subsidiaries as well as other methods to sell the cars.

He would not go into detail, but he said Saturn Corp. is studying all avenues and there are "no sacred cows" in its approach.

The retail system has drawn the particular attention of the executives at Saturn. They are concered about the buying experience of the consumer, and Rundell said that Saturn is a laboratory for the industry and the company will try many different things. He would not elaborate.

But while he would not go into detail on the franchise situation, it was clear that Saturn is looking at every facet and there "could well be changes."



# breaking news

### Ford prices up 2.9 pct. for 1986

DEARBORN.—Ford Motor Co. made a price statement last week but, like General Motors, it refused to put a dollar amount on the average increase for its 1986 models. Ford said only that prices will rise 2.9 percent on a comparably equipped basis. GM's hike is 3 percent, which is estimated at $400. Ford said the Ford Tempo GL two-door is up $138; the Ford Escort L four-door is up $176; the Mercury Grand Marquis four-door is up $590, and the Lincoln Town Car four-door is up $994. Dealer discounts and destination charges are unchanged. Option prices are generally unchanged, but optional V-6 and V-8 engines and transmissions are up.

See BREAKING NEWS, Page 8, Col. 4

NEWSPAPER

He sees threat to jobs

# Dingell joins backers of an easier CAFE

By Helen Kahn
Washington Bureau Chief

WASHINGTON.—The acrimonious CAFE quarrel in the domestic auto industry has pushed Rep. John Dingell, Michigan Democrat and the auto makers' favorite congressman, into clearly siding with General Motors and Ford Motor Co.

The reason: He will never be a party to the loss of jobs in the U.S. or sending jobs overseas.

GM and Ford asking for a rollback of 1986 and later CAFE standards, and Chrysler Corp. insists vehemently that they should stay at 27.5 MPG. The first step is a reduction of the 1986 standard to 26 MPG.

At last week's hearing before the House Subcommittee on Energy Conservation and Power, Dingell told Chrysler, in effect, "I helped Chrysler get federal loan guarantees when you needed me, and now with threats of job loss, I am on their side."

But he sternly lectured the company spokespersons—GM Vice President Marina vN. Whitman, Ford Vice President Helen O. Petrauskas and Chrysler President Harold K. Sperlich—to stop the unseemly backbiting.

Dingell, as chief author of the 1975 CAFE law, also wrote the section to give NHTSA rollback flexibility in meeting the 1985 standard of 27.5 MPG, and he crafted the three-year carryforward and carryback credit provision so much needed by Ford and GM, but mostly by GM. Dingell said he opposes all current attempts to change the 1975 law.

One by Rep. Barbara Boxer, California Democrat, to set higher standards; one by Rep. Pete Stark, California Democrat, to take away NHTSA's authority to lower standards, and a House Resolution by Rep. Edward J. Markey, Massachusetts Democrat (who as Subcommittee chairman presided at the hearing) and 25 other lawmakers to urge NHTSA's Administrator to retain the current CAFE standards.

But while Dingell, as chairman of the full House Energy and Commerce Committee, welcomed Markey's assurances that the hearing would not impinge on NHTSA's pending decision for 1986 models, he nonetheless wanted to make clear his own views on the payment of civil penalties and decisions by GM and Ford that they cannot "plan" to break the law.

That became especially clear after Sperlich noted that Chrysler will continue to make the Chrysler Fifth Avenue (or Dodge Diplomat, or Plymouth Gran Fury) with a 318-CID V-8 engine and willingly pay a $500 fine by missing the "gas guzzler" cutoff by one MPG.

So, asked Sperlich, why did GM and Ford not pay their penalties for missing CAFE standards and make lots of money rather than close plants and put people out of work?

Dingell chided Chrysler for its newest position, after noting that its 1980 testimony regarding light-truck fuel economy was almost identical with that of Ford and GM. Dingell said he would be "outraged" if any firm made a deliberate decision to break the law and so would many stockholders.

All three companies will be filing legal memos on the question of choosing to pay fines instead of closing plants and causing layoffs by limiting production of big cars. But before the hearings, Markey had already asked the Congressional Research Service for its views.

CRS made it clear that nothing in the law says production must be stopped if standards are not met, but neither does the law forbid a car maker from deciding to stop or cut back production.

While some have speculated that Ford and GM will not pay fines because of fear of shareholder derivative suits, neither company will confirm that.

In a separate memo addressing the outlook for shareholder derivative suits against car makers, CRS said it cannot say definitely whether directors would be found negligent by failing to pay a fine instead of complying, although paying the fine would be cheaper

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**Dealers view new Fords in Hawaii**

More than 3,500 Ford dealers attended Ford Division's Sign of the Times introductory meetings in Hawaii, where the 1986 line —including the new Taurus, above—was displayed. Presenting Taurus was Robert L. Rewey, Ford Division general manager.

# Bills on methanol fuel would aid gas gulpers

By Helen Kahn
and Jake Kelderman
Automotive News Staff

WASHINGTON.—Ford Motor Co. is talking about building parts for its big cars in Mexico to get out from under federal fuel-economy requirements but such extreme measures may not be necessary if Congress passes legislation this year aimed at creating a market for methanol fuels.

Under bills introduced by Senator John Danforth, Missouri Republican, and Rep. Phil Sharp, Indiana Democrat, the company could instead fit the cars with equipment that would allow them to run on methanol/gasoline blends of at least 85/15 and thereby turn their giants from fuel-gulping road monsters to fuel-sipping highway cruisers; from cars averaging about 20 MPG to cars averaging a whopping 160 MPG.

Both Danforth and Sharp would measure the fuel economy of cars equipped to run on methanol blends only on the amount of petroleum they use. Thus, a car averaging 15 MPG on a 85/15 blend of methanol/gasoline, would have a fuel-economy average of 100 MPG for government purposes (15 MPG divided by 0.15).

Spokespersons for Danforth and Sharp acknowledge that this largesse could be construed as a "loophole" in the federal fuel-economy laws, but they insist that incentives must be given if a market is to develop for methanol—methanol that can be produced from cheap U.S. coal.

The Danforth measure is scheduled to reach the Senate floor as early as this week. The Sharp bill, on the other hand, has just been introduced. Both measures have bipartisan support, however, and the White House has gone so far as to muzzle the EPA from speaking out against the bills.

The agency is said to have objected strenuously to the Danforth measure on the grounds that it was an excessive "giveaway," granting much greater fuel-economy credit than it should, since methanol contains only about half the energy that gasoline does.

But the White House recognized a solution to the problem of what to do about U.S. auto makers facing fines for failing to meet CAFE standards. so it told the agency to "lay off." Indeed, the EPA has been told to say absolutely nothing about the measure, agency sources indicated.

Among the alternatives offered by EPA was a plan to add the multi-fuel capability to only about 20 engine families certified on high-octane unleaded fuel.

That would have amounted to about 350,000 vehicles each year, a number EPA deemed sufficent to get methanol fuels to the market without unduly "giving away the store" on CAFE compliance, an Administration source said.

Automotive engineers estimate it would cost less than $100 to equip a car to run on methanol/gasoline blends as high as 85/15.

Ford has already demonstrated the feasibility of multi-fuel capability and has publicly thrown its support behind the Danforth measure. Ford says it will be 1990 before it can get into production with such equipment, however.

Sharp's measure seeks to ad-

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# DeLorean indicted by U.S. grand jury

By Edward Lapham
Marketing Editor

A federal grand jury in Detroit returned a 15-count indictment against former auto maker John Z. DeLorean last Friday.

As expected, the 99-page indictment charged him with RICO (Racketeering Influenced and Corrupt Organization) and other federal crimes involving mail fraud, wire fraud, interstate transportation of stolen money, income tax evasion and causing false income tax returns to be filed.

If convicted on all counts, DeLorean could receive a sentence of up to 77 years in prison.

No other individuals were indicted last Friday.

Virtually all of the indictment counts stem from a series of financial transactions involving $17.65 million which disappeared from the defunct DeLorean Motor Co.

The indictments were the result of a federal probe which commenced in 1982. The federal grand jury began hearing evidence in the case more than two years ago.

The U.S. attorney said no arrest warrant was requested. Arraignment is tentatively scheduled for Sept. 27.

Allegations about DMC financial improprieties have run rampant since before the company petitioned for Chapter 11 bankruptcy status in October, 1982, just a week after John DeLorean was arrested on federal drug-trafficking charges in Los Angeles. He was later acquitted of those charges.

During the bankruptcy proceedings in Detroit, first the unsecured creditors committee and later the trustee of the DMC estate charged that John DeLorean diverted at least $8.5 million of the missing $17.65 million for his own use.

Specifically, they charged that DeLorean used it to pay off a loan to acquire a company in Logan, Utah, which produces snow-grooming equipment for ski slopes and other tracked vehicles.

At various times, three federal judges have ruled there is sufficient evidence to suggest the creditors are likely to prevail.

In September, 1978, when DeLorean was closing his deal with the British Government to take his sports-car project to Northern Ireland, investment banker Oppen-

Please turn to Page 70, Col. 1

## Potamkin acquires N.Y. Chrysler deal

NEW YORK.—Victor Potamkin, a leading Cadillac dealer here, has acquired Chrysler Corp.'s company-owned dealership in Manhattan.

Chrysler had operated the retail outlet for nearly 30 years and it sold about 5,000 cars last year. Potamkin has a reputation for turning around money-losing dealerships. He operates 28 dealerships, including five other Chrysler outlets.

# Croats wage war of words against Yugo

By Kathleen Hamilton
Assistant Managing Editor

An association of Croats is waging a letter-writing campaign against the Yugoslavian-built Yugo and says it will begin placing advertising to get its message across.

Matthew Mestrovic, president of the executive committee of the Croatian National Congress, said he has sent letters critical of the Yugo to editors of "50 to 100" newspapers and automotive magazines. Yugo entered the U.S. market last month.

The letter sent to Automotive News was critical, among other things, of the product, of the wages paid to Yugoslavian auto workers and of the fact that its exports help the Yugoslavian economy.

Mestrovic characterized the Croatian National Congress as a 5,000-member international political group whose goals include cultural education and advocacy of a separate Croation nation, free of Yugoslavian control.

A Yugo of America, Inc., executive said the company was not aware of any organized opposition to its cars. "But I am not surprised. There are always dissident groups," said Jonas Halperin, Yugo senior vice president. He recalled Jewish opposition to the first German imports, and the opposition to Japanese imports in the aftermath of World War II.

He cited passages from a U.S. State Department document encouraging U.S. trade with Yugoslavia to lessen its dependence upon the USSR. Yugoslavia has used its dollars from U.S. exports to buy U.S. goods, he said.

Yugo has said repeatedly its U.S.-bound cars differ significantly from those produced previously.

# Toyota planning to exhibit at NADA convention

WASHINGTON.—Toyota Motor Sales U.S.A. will have an exhibit at the 1986 NADA convention, which will be held Feb. 1-4 in New Orleans.

Toyota last exhibited at NADA in 1972.

Bob McCurry, senior vice president of Toyota Motor Sales, said the NADA convention provides "an excellent opportunity to hear from our dealers and to show them the latest of what Toyota has to offer."

Convention Chairman Frank England Jr. said, "Toyota will occupy a 3,200-square-foot space and will be located in a visible positon comparable to those of General Motors, Ford, Chrysler and AMC."

"We're delighted to have America's largest import manufacturer participating in such a prominent capacity," England said. England said the company's presence as an exhibitor represents a valuable forum for senior management to communicate with their dealers.

The 1986 NADA Convention and Exhibition will occupy more than 144,000 square feet in the new New Orleans Convention Center. It is described as a "state of the art" facility and was the principal building for the recent World's Fair.

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# 1986: The year of the

By Michelle Krebs
*Financial Editor*

Auto analysts unanimously agree 1986 will be the year of sales incentives. It also will be another year of Japanese imports chomping large bites out of the domestic makers' market share.

Beyond that basic consensus, however, there was widespread disagreement about 1986 motor vehicle sales. In fact, the auto analysts surveyed by Automotive News forecast a wider spectrum than any time in recent years.

Forecasts for total motor vehicle sales range from a high of sixteen million units to a low of 14.2 million.

Forecasts for car sales run from a low of ten million units to a high of 11.4 million. Of the total car sales, estimates for import share range from 3.2 million to 2.9 million units, which would put the domestic auto makers at recession levels.

Predictions for total truck sales range from a low of 4.1 million units to a high of 4.8 million units. Estimates of the import share of truck sales range from 600,000 units to 830,000 units.

The Automotive News composite puts total motor vehicle sales at fifteen million units for the 1986 calender year with 10.6 million car sales and 4.4 million trucks sales. Of the total car sales, three million units will be imports and 699,000 of the truck sales will be import trucks, according to the composite.

One year ago, many of the analysts anticipated a recession by 1986. Now, they generally have become more optimistic about next year. The Automotive News composite for 1986, when analysts were surveyed a year ago, was only 14.3 million units. Part of the boost comes from increased truck sales projections, which include the popular minivans.

## Incentives

On one point the analysts are in agreement: 1986 will be a year of incentives.

"Sales incentives will be off and on for the next 12 months—maybe the next 24 months," said Jean-Claude Gruet, of Salomon Brothers Incorporated.

Maryann Keller, of Vilas-Fischer Associates, said the consumer has been conditioned to expect incentives since they were offered in the early 1980s recession.

"It was difficult to wean the public from them," she said. "It took a strong economy to make the public realize there were no more good deals. Few cars are sold without incentives because the consumer sits back and waits for the next round."

## Import Share

The analysts also unanimously agree imports will continue to take large bites out of the domestics' market share, although to what degree is a subject of great controversy.

Keller paints a grim picture for the domstic auto makers. Noting the import market share in July hit 29.5 percent, she said that level will be maintained into next year with the Korean imports added to the Japanese and European makes.

In addition, U.S.-produced Japanese cars will compound the downward pressure on the domestics. Domestics will have sales of under seven million units, a recession level total, she said.

"Detroit has been battling cost and quality while the Japanese have declared themselves a winner in that battle," she said. "They have moved on to a new battle—that of fighting for market share, specializing a product line, focusing toward a specific market niche. They are all over the place, offering an infinite variety of models."

She likens it to what cigarette makers are doing—seeking niches in a stagnant market. Virginia Slims, for example, has found a niche with women; Marlboro with the macho man segment.

Instead of taking huge chunks of market share with one product, the imports whittle away at market share in small bites, with many models.

Effectively, she said, a free market exists and neither the Reagan Administration nor Congress appear to believe there is a problem.

On the opposite end of the spectrum, Arthur Davis, of Prescott, Ball & Turben, insists the American public and government won't stand for the import share hitting 25 percent.

"Forget it," he said. "If that happens, that means domestic production will fall almost a million units. That would mean massive layoffs in Detroit.

"There's no way that will happen with our trade deficit with Japan heading toward $45 billion next year," he said. "Congress already is screaming about import control in terms of surcharges."

A number of analysts see import penetration rising to as much as forty percent of the U.S. market by 1988 but then holding steady.

"The Japanese are limited from the import side by production capacity and still want to supply the Third World, European and domestic markets, which are expected to grow," said Ted Sullivan, of Data Resource Incorporated (DRI).

"Toyota and Nissan will not be the culprits of large increase," he said. "The smaller manufacturers will. They have beefed up capacity but were held back by import restraints."

Nevertheless, he believes they will hold back as well, fearing a political reaction and the threat of local content legislation.

Gruet believes the domestic auto companies must offer incentives to keep market share. He places import penetration at 28.9 percent in 1986, 29.5 percent in 1987, 30.8 percent in 1988, 39.8 percent in 1989 and 31.5 percent in 1990.

However, if U.S. production by foreign manufacturers and joint ventures between U.S. and foreign companies are included, import share rises to 34.6 percent in 1986, 37.3 percent in 1987, 40.7 in 1988 and 1989 and 41.6 percent in 1990.

He calls his numbers conservative because he bases them on already-announced production programs.

Nevertheless, most analysts believe Congress and the Administration are not likely to take any trade policy action.

David Healy, of Drexel, Burnham & Lambert, said protectionism will resurge in full force only if the auto industry enters a recession. The imports will be blamed and the wheels of protectionism will be set in motion.

"As long as the industry is prosperous, it will stay quiet in Washington," he said.

Scott Merlis, of Shearson Lehman Brothers, said if high unemployment exists at election time, Detroit is likely to win protectionist support.

## Small Cars

The analysts generally agree consumers shopping for small cars will find the best bargains.

"The small-car market will be competitive as hell," said Healy. "No one will make any money, and the small-car buyer will be in hog heaven."

The analysts agree a glut of small cars, including the new entries from Yugoslavia's Yugo and South Korea's Hyundai, will far exceed demand, forcing manufacturers to cut prices and offer incentives.

"It's a good bet the small-car segment will suffer price weakness," said Merlis. "The question will be whether or not price weakness will be confined to small cars."

Even imports may experience price pressures, some say. "Import dealers are taking off the premium," said John Maher, of Citicorp. "Pricing will become intensely competitive in the fourth quarter of this year and early in 1986. Wide-scale incentives will dig even further into already tight profit margins on small cars."

Despite the continued import dominance in small cars, some analysts insist domestic manufacturers must stay in the small-car business.

"GM, as the largest company in the world, however unpalatable, must find a way to remain competitive," Gruet said.

A DRI study shows small-car capacity by 1988 will exceed potential demand by 700,000 units, and that's if domestics operate at only eighty percent. It means some of the excess capacity will have to be shut down.

Yet DRI's Sullivan points out that small-car production remains important to U.S. producers as a means of experimenting with the manufacturing process and the whole way of doing business, just as GM's Saturn project is designed to do.

### U.S. Market Outlook: Composite of Calendar Year Sales Forecast

(In Millions)

| | 1986 | | | | | 1987 | | | | | 1988 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Total Motor Vehicle Sales | Total Car Sales | Total Truck Sales | Import Car Sales | Import Truck Sales | Total Motor Vehicle Sales | Total Car Sales | Total Truck Sales | Import Car Sales | Import Truck Sales | Total Motor Vehicle Sales | Total Car Sales | Total Truck Sales | Import Car Sales | Import Truck Sales |
| Beale | 14.2 | 10.1 | 4.1 | 2.9 | .600 | 14.0 | 10.0 | 4.0 | 3.5 | .590 | 14.4 | 10.3 | 4.1 | 3.8 | .615 |
| Davis | 15.7 | 11.0 | 4.7 | 3.0 | .830 | 15.3 | 10.8 | 4.5 | 2.8 | .790 | 16.5 | 11.5 | 5.0 | 3.0 | .900 |
| Glantz | 14.8 | 10.4 | 4.4 | 3.0 | .740 | 14.0 | 9.8 | 4.2 | 3.2 | .700 | 14.9 | 10.4 | 4.5 | 3.4 | .725 |
| Glaser | 16.0 | 11.2 | 4.8 | 3.1 | — | — | — | — | — | — | — | — | — | — | — |
| Gruet | 15.3 | 10.8 | 4.6 | 3.1 | .750 | 14.8 | 10.4 | 4.4 | 3.1 | .720 | 13.9 | 9.8 | 4.1 | 3.0 | .680 |
| Hammond | 15.2 | 10.6 | 4.6 | 3.2 | .800 | 15.6 | 10.8 | 4.8 | 3.6 | .800 | 15.8 | 11.0 | 4.8 | 3.7 | .900 |
| Healy | 15.4 | 10.8 | 4.6 | 3.1 | .659 | 13.9 | 9.7 | 4.2 | 3.0 | .624 | — | — | — | — | — |
| Keller | 14.6 | 10.3 | 4.3 | 3.2 | .650 | — | — | — | — | — | — | — | — | — | — |
| Knight | 15.5 | 11.4 | 4.1 | 3.0 | .650 | — | — | — | — | — | — | — | — | — | — |
| Lent | 14.6 | 10.4 | 4.2 | 2.9 | .650 | 14.6 | 10.6 | 4.0 | 3.0 | .700 | 15.0 | 10.8 | 4.2 | 3.0 | .800 |
| Maher | 15.3 | 10.7 | 4.6 | 3.0 | — | 14.1 | 10.0 | 4.1 | 2.8 | — | 15.3 | 10.9 | 4.4 | 3.05 | — |
| Merlis | 14.2 | 10.0 | 4.2 | 2.9 | — | 13.6 | 9.8 | 4.0 | 2.8 | — | 15.9 | 11.2 | 4.7 | 3.3 | — |
| O'Grady | 14.7 | 10.5 | 4.2 | 3.2 | .660 | 15.0 | 10.6 | 4.4 | 3.5 | .690 | 15.4 | 11.0 | 4.4 | 3.7 | .710 |
| COMPOSITE | 15.0 | 10.6 | 4.4 | 3.0 | .699 | 14.5 | 10.3 | 4.2 | 3.1 | .703 | 15.2 | 10.8 | 4.5 | 3.3 | .761 |

Note: Wendy Beale, Smith Barney, Harris Upham & Co.; Arthur G. Davis, Prescott, Ball & Turben; Ronald A. Glantz, Montgomery Securities; Gary Glaser, First Boston Corp.; Jean-Claude Gruet, Salomon Brothers Inc.; John Hammond, Data Resources Inc.; David Healy, Drexel Burnham Lambert; Maryann Keller, Vilas-Fischer Associates; Ann Knight, PaineWebber Inc.; Thomas E. Lent, Prudential-Bache Securities, Inc.; John Maher, Citicorp; Scott Merlis, Shearson Lehman Brothers; Thomas O'Grady, Integrated Automotive Resources, Inc.

Scott Merlis
Shearson Lehman Brothers

John Hammond
Data Resources Incorporated

David Healy
Drexel Burnham Lambert

John Maher
Citicorp

Ronald A. Glantz
Montgomery Securities

# creative incentive

"Secondly," Sullivan added, "it's more important strategically for the domestics to maintain a presence in the small-car segment, even though they lose money on it, in order to capture the first-time buyer who later will move upscale."

Only Keller disagrees. "What's a small car? What are the Japanese building?"

Keller contends no tie exists between size and price, and the Japanese have moved their models up the size and price ladder, saying she recently saw a Toyota Corolla in a dealership room with a sticker price of $12,900.

She argues that if you asked a Detroit auto executive to draw a picture of a Japanese car, he'd probably draw a boxy, simple car —similar to the way a five-year old would draw a two-box house. And that simply is not the case any more, she said.

## Minivans

The minivan segment remains a big question mark for 1986. Chrysler no longer is the single entry in the segment; General Motors and Ford have started selling their entries.

"You have to wonder if GM and Ford overreacted to Chrysler's success," DRI's Sullivan said. "No one knows how big the segment is going to be. It will have to make tremendous expansion in the market in order to fulfill capacity if it only runs at eighty percent.

"It could turn out that the segment of the market isn't that big, which means there will be incentives, aggressive advertising and price reductions," he added.

That could throw other segments out of equilibrium, he said. Potential buyers of large vans, small pick-ups, stations wagons, small utility truck may opt for minivans, where they can enjoy incentives, causing those segments to soften.

"Chrysler has been able to sell all the minivans it can make until now, showing the market is bigger than one plant," said Healy. "The question is how big is it. The sector will be fairly competitive . . . Chrysler may lose its monopoly."

Others believe Chrysler will continue to rule supreme.

Gruet estimates the minivan segment to be 500,000 to 550,000 units with Chrysler continuing to lead the pack but with GM gaining market share.

Ann Knight, of Paine Webber Incorporated, estimates the total potential of the market at one million units. "So there's room in the market for more than there are now.

"I'm skeptical that Ford and GM minivans appeal to the same group or appeal to as wide a range. GM is marketing its minivan more as a truck-like vehicle, but I don't have a strong sense of how Ford is marketing."

Though some overlap exists, Knight doesn't view GM and Ford as direct competitors to Chrysler's minivan.

## Other Segments

There is little agreement concerning how other segments will fare in 1986.

Ronald Glantz, of Montgomery Securities, sees the intermediate and subcompact segments winning a boost from some attractive domestic models—GM's N-car sedans, the Pontiac Grand Am, the Buick Somerset Regal and the Oldsmobile Calais, and Ford's Taurus/Sable models. But those segments will gain at the expense of the full-size and luxury market.

Davis also sees success by the domestics with some attractive new models including GM's restyled larger cars, Chrysler's P-car and the Ford Taurus/Sable line. "All the electronics and performance will make it an exciting year," he said.

The direction of the sporty, performance car segment, which has enjoyed a comeback, depends on the individual analyst's economic scenario for 1986.

Those who paint a healthy picture for the economy with continued lower gas prices, see the segment doing well. Young, entry level buyers are apt to move up to the sporty, performance segment, they say.

However, those who view the 1986 economy as sluggish with declining disposable income, see a drop-off in sales of sporty, performance cars. Knight believes there may be a spillover into the lower end of the luxury European segment.

DRI's Sullivan expects the European imports to do even better than before since no production interruptions are on the horizon and with U.S. companies importing more models from their European affiliates.

Thomas O'Grady, of Integrated Automotive Resources Incorporated, perceives a vaccuum left by GM's elimination of the X car. He expects 100,000 car sales to be made up by Ford's Tempo/Topaz, Chrysler's Reliant/Aries and Toyota Camry lines.

## General Economy

For the general economy, the analysts' are forecasting a range from "brilliant" to "lackluster." The diversity of opinion accounts, in part, for the diversity of opinion on motor vehicle sales.

Keller sees another year of a "sloppy economy . . . lackluster" with little difference in overall car sales from 1985.

Wendy Beale, of Smith Barney, Harris Upham & Company, doesn't believe the minimal growth in disposable income will be enough to sustain consumer spending, particularly of durable goods.

Merlis expects the consumers' high level of debt to lead to a cool-down in auto sales but not to a crash like we saw a few years ago. He further anticipates the potential of high unemployment and a continuation of the same trend into 1987.

Both Beale and Merlis forecast a sales year of 14.2 million units, the lowest of those surveyed by Automotive News.

The bulls read strong signals in the economy: Economic growth, low inflation, strong consumer confidence, higher disposable income.

Gary Glaser, of First Boston Corporation, was the most bullish of the analysts surveyed. He is forecasting an unprecedented sixteen-million unit year for motor vehicle sales, with the domestic makes benefitting from the boom year.

The economy is going to be strong, he believes, with perhaps as much as a four to five percent increase in the gross national product, which corresponds directly to car sales. Furthermore, he said, the economic cycle has yet to peak.

"We tried to determine what could pop up to knock sales off their strong path," said DRI's Sullivan. "We see nothing on the horizon.

Knight said she based her motor vehicle sales forecast purely on economics.

"We have a very, very optimistic outlook for the economy," she said. "The linchpin is low inflation. We get more optimistic about '86 as the economy gets more and more sluggish now. The cause of concern is inflation reigniting but there are no signs of that, and we really believe the Fed will be stimulative to the economy."

A DRI study concluded that car buyers will be more willing and able to buy cars in 1986 than now, based on the average monthly car payments, upon which interest rates play a major role, and per capita income. The study found that by the end of 1986, an average consumer will spend 25.5 percent of monthly income on a car payment instead of today's twenty-seven percent, because of income rises, price stabilization and lower interest rates.

"People are sitting with cash, people are employed and consumer sentiment indicates consumers are willing to buy cars," said Thomas Lent, of Prudential-Bache Securities. "They are apparently waiting for a better deal with the expectation that interest rates are coming down."

He suggests that consumers considering a major purchase would be better off buying a car than building or buying a house, for example, because of the attractive financing rates.

### Some you win

Some you win, some you lose and some...well...some you try to forget as quickly as possible.

Last year at this time, our panel of analysts forecast a composite 1985 calendar year car and truck sales total of 14.8 million units, including a composite car-sales total of 10.8 million.

Right now, two-thirds of the way through the year, total car sales are 7.5 million. The APR financing programs will likely yield a boom September, but October launch sales could fizzle in the aftermath.

What's it all mean? If fourth quarter sales sputter and the factories come back with more incentives, or if the launch is moderately successful in and of its own momentum, last year's composite total of 10.8 million looks good. If not, well...

Several of the analysts in this year's panel also made projections last year. Here's how they did. Art Davis pegged car sales right at the 10.8 million mark. John Hammond said 10.6 million, as did David Healy.

Ann Knight, with an 11.2 million car-sales forecast, would need a farily strong launch to hit the mark.

Thomas O'Grady, with a 10.2 million-unit forecast one year ago, looks to be low. Unless, of course, the launch fizzles and the auto makers wait until after the first of the year to start feeding the car buyer the old, addictive incentive dope.

*—Edward Lapham*

## Beyond 1986

Not all the analysts surveyed were willing to forecast beyond 1986.

The Automotive News composite puts total motor vehicle sales at 14.5 million units in 1987; 10.25 million cars and 4.24 million trucks. The composite shows import share edging up; 3.13 million units for cars and 703,000 import trucks.

The range was from 13.8 million units to 15.6 million. The low for car sales was 9.8 million with the high at 10.8 million. Import share of cars was predicted as high as 3.5 million units and as low as 2.8 million units.

Many of the analysts polled are anticipating a mild recession starting as early as late 1986 but certainly by 1987, which will reduce cars sales.

Domestics, they say, will bear the costs of the sales drop-off. Consumers have shown a preference for Japanese and European models, and greater availability of them is anticipated.

For 1988, the Automotive News composite showed motor vehicle sales rising to 15.22 million units; 10.76 million cars and 4.47 million trucks. Again, the import share rises—to 3.33 million cars and 761,000 trucks.

The analysts generally predicted 1988 would be better than 1987. The forecasts ranged from a high of 16.5 million units to a low of 13.85 million. The high for cars was 11.5 million while the low was 9.75 million.

Every forecast included the import numbers rising to more than three million units; as high as 3.8 million and as low as three million even. At the same time, import trucks, in the eyes of some analysts, are approaching the one million mark.

*—Illustrations by Sandy Schultz.*

Arthur G. Davis
Prescott Ball & Turben

Jean-Claude Gruet
Salomon Brothers

Maryann Keller
Vilas-Fischer Associates

Ann Knight
Paine Webber

Thomas O'Grady
Integrated Automotive Resources

# Overseas tourist delivery is here to stay

## *American vacationers flock to Europe's auto factory gates*

**By Richard Feast**
*European Editor*

European auto makers recognize the attraction for U.S. customers who want to take delivery at the factory gates. It may require a lot of additional organization, but as one company official commented, "It is a wonderful opportunity for the manufacturer to present itself."

The attraction these days is not so much in the pile of greenbacks that can be saved. That advantage passed years ago when U.S. tax regulations changed and European and U.S. safety and emission standards began to diversify.

With today's direct sales funneled through official importers and their dealers, the customer's financial gain is minimal. Unofficial channels—the gray market—continue to exist, however, and will as long as Europe offers a wider variety of (unapproved) models and some distinct savings on list prices.

Favorable exchange rates and the resultant strong dollar have made Europe something of a travel bargain, so air traffic from the U.S. to Europe is running at record levels. Consequently, the increased number of upscale consumers in Europe with a propensity to own European makes has made the idea of taking delivery of a new car in Europe even more appealing.

What seems to appeal most to customers who take delivery in Europe is the free transport it provides. If the pickup is tied in with a vacation, the buyer can dispense with air and rail costs and with car rental charges. These are not inconsiderable in Europe. A month's rental of a car such as a Volvo 240 is around $1,000. A big BMW may cost double that, and a Mercedes-Benz around $3,000.

In contrast, direct-delivery cost advantages compared with U.S. dealer delivery are marginal. Jaguar's direct sales manager, Gavin Thompson, estimates it is around one percent. Tora Engstrom, of Volvo's tourist and diplomatic service, estimates about $1,000 when the final bill is tallied. BMW says about $750.

Such savings would contribute toward a family's air fares across the Atlantic. The real payback would only begin when the car is used in touring Europe on the vacation.

Nevertheless, there is some resistance to the schemes from U.S. dealers. Jaguar limits the number of orders it will accept for factory delivery. The U.S. remains Jaguar's key market, and it wants to put as many orders as possible through the dealer network which has helped it grow so dramatically in recent years.

**Tourist Deliveries**

| | 6 Mos., 1985 | 6 Mos., 1984 |
|---|---|---|
| Alfa | 31 | N.P.* |
| Audi | 433 | 722 |
| BMW | 1,893 | 1,560 |
| Mercedes | 1,395 | 1,950 |
| Saab | 625 | 595 |
| VW | 1,369 | 1,455 |
| Volvo | 1,376 | 1,193 |

*—No program.

An executive at another import company admits, "There are some dealers who just don't understand the scheme. They seem to forget that all they have to do is take the order. There's no extra work or stock to finance."

Whatever the misgivings, tourist delivery is here to stay. Among its pioneers is Daimler-Benz, which every working day hands over between 400 and 800 cars to customers as they emerge from the Sindelfingen assembly plant near Stuttgart.

Ninety percent of customers are from the domestic market. Indeed, every other West German Mercedes driver has picked the car up at the factory. The remainder are handed over to tourists, and most of those are from the U.S.

Such substantial numbers require a major delivery facility. Daimler-Benz's present center was opened four and one-half years ago and employs about 250 people. Its amenities range from cafes to a full restaurant, from private suites to showers and shops. A factory tour is an integral part of the arrangements.

At the other end of the scale is a company like Jaguar. It offers a more personal service to between twenty and thirty customers each week. "We couldn't do forty or fifty a week. The cars just aren't available, and we wouldn't be able to look after each customer properly," explains Thompson.

But the business has grown sufficiently for Jaguar to create a new center for the purpose. It is located next to the recently opened museum, which houses a small collection of significant Jaguar models.

Similarly, factory tours and visits to its splendid museum are part of the Porsche program. Its facilities have been upgraded, but there is a longer-term plan to create a new tourist delivery center at the Stuttgart factory—but not until the new paint shop has been completed toward the end of this year.

Porsche reports that tourist deliveries are seasonal. In the first half of this year the number was just over 120, but between the factory start-up after the summer break and the end of the year it expects to hand over 400 to visiting U.S. customers.

In Sweden, Volvo's expectation is for around 9,000 deliveries this year. The figure includes 25 percent to diplomats and about 35 percent to military personnel stationed in Europe, particularly in West Germany. The remainder go to tourists and business people working abroad.

Saab also reports good business with American service personnel stationed in West Germany. In total, it expects to sell up to 5,000 vehicles this year through its international and diplomatic sales unit based in Volvo territory in Gothenberg.

All companies report growth in the business. For Saab it has boomed the past four or five years, but is now growing at about ten percent a year. At Daimler-Benz the introduction of the new mid-range model in the U.S. is expected to add impetus. BMW was dealing in hundreds, now it's thousands. The company plans to streamline its delivery center, currently located about three miles from its Munich headquarters.

All companies offer added bonuses of various sorts. For a small concern like Jaguar it is personal service, such as being picked up at an airport or station. At Volvo, free car passage on the ferries to Denmark and West Germany can be arranged. BMW has a special deal with local hotels for reduced rates.

In addition, the larger companies offer collection and return facilities at various points across Europe. If a customer wants to fly home from Paris, Mercedes will arrange for the car to be picked up, shipped to the U.S., prepared to local standards and delivered to the customer's local dealer.

At Volvo, Engstrom says, "You buy a package with your car. What you like, the insurance, the accessories, the delivery program, it's all organized."

# Women

*Continued from Page E-6*

sponsorship of more prime time TV programming, which Chevrolet believes is viewed by a larger number of women than men.

The division also will sponsor some national daytime TV programming, "by the first of the year," Staudt said, and will likely make some daytime soap opera buys early next year.

There is some minimal danger, Staudt conceded, that the new aimed-at-women advertising could "turn off" traditional male buyers, but it is not likely many males will see the women's service magazine ads, he said.

"I think we can add some emphasis to women's marketing without being detrimental to men's marketing efforts," Staudt said.

In addition to all of the concerns women had about matters under factory control, there are still some areas of concern at the dealership, Chevrolet found; The use of terms of endearment by sales personnel, being ignored by sales personnel, being patronized by sales personnel and feeling uncomfortable in the service department were all common complaints.

The auto companies have known for some time that dealership personnel can thwart any campaign, so most of the companies have been holding seminars and training sessions for dealers and sales personnel to re-educate them about the buying power of women and the proper means of selling to them and servicing their vehicles.

Dealers themselves realize there is a problem and that they, too, need to improve their own operations to better serve the needs of women customers.

At February's NADA convention there will be a workshop devoted to this very matter, called "Attracting the Woman Customer."

The workshop will be conducted by Carol J. Coby, a multi-talented woman who has PR, government relations and televison reporting experience. She also has conducted similar seminars at a Milwaukee dealership already.

She recommends, among other things, that dealers conduct consumer information seminars for women, without the "powder puff" touch. Koby has a standard format and suggests covering topics like finance and insurance, value buying, leasing vs. buying, slecting a repair shop and even driving and the law.

Porsche's racing program is the linchpin of its marketing effort. It is looking to the showroom stock series to showcase the 944 Turbo.

# Looking for life's achievers

## *Porsche's niche in the specialty-car market*

**By Matt DeLorenzo**
*Los Angeles Reporter*

Detroit's fascination for the Yuppie phenomenon is not shared by all the imports, especially an expensive, European import like Porsche.

John Baker, a spokesman for Porsche Cars North America, said that "we are very much in the specialty car market," adding that "when you sell only 22,000 cars a year, it's hard to say you have a trend established in one direction or another."

The Porsche buyer is clearly a different breed, Baker said. "The only word we use to clump them together is a self-generated word —achiever. Our owners are active, aggressive and players in life rather than spectators." Their hobbies are more likely to be tennis or skiing rather than softball or bowling.

Advertising to the potential Porsche buyer who has always dreamed of owning one is like preaching to the converted. However, Porsche's launch campaign was geared to not only getting the message to the faithful, but reaching out as well to those "players" in life who didn't quite understand the facts behind the Porsche mystique. It's a campaign that the company will be sticking to in 1986, according to Baker.

Last year, the company launched a 14-page insert in a selected number of magazines which included business and financial publications. The list of achievers who buy Porsches are business people, Baker explained. This year's program "is following the same theme, with double page ads following with full page ads in the Wall Street Journal. There will be a very selective television buy."

Last year the company released a television commercial that featured Dr. Ferry Porsche walking through a warehouse with famous cars of the past and talking about the quest for excellence. That program was specifically designed to reach those achievers who were unclear on what Porsche meant.

"Early research showed us among people who currently own a Porsche, they clearly understand the company's racing heritage and dedication to engineering excellence. Among those people who could own a Porsche, but didn't, that perception of Porsche was cluttered."

Porsche combined the theme of racing heritage, the quest for engineering excellence and even showed that a Dr. Porsche did exist and developed the spot. "There was no heavy advertising for our three lines, we talked about Porsche and then said in the print advertising, we have these three lines to sell (944, 911 and 928)."

The image that Porsche projects is that it is "first and foremost an engineering company."

Porsche's racing program will continue to be the linchpin of its overall marketing effort. "Competition is part of our heritage. We would be remiss if we didn't mention competition in the U.S.," Baker said. A Porsche Cup has been established for the U.S. with an $82,500 purse to be split by all the top drivers in their respective categories using the product. In addition to supporting privateers racing in IMSA and SCCA prototype, GT and Trans AM series, Porsche is also looking towards the showroom stock series in both assocations as a showcase for the 944 Turbo.

Baker said that other elements of Porsche's marketing program is a direct mail campaign on 928 to selected prospects and, in an effort to deal with the gray market, the introduction of the 911 Turbo Carerra and a holding the line on prices.

"Part of our entire effort is to reduce the motivation or temptation of people to get involved in the gray market. We've shown considerable restraint in pricing the two new cars (the 944 Turbo at $29,500 and the 911 Turbo at $48,000). There's no motivation for a customer to take the risk of the gray market."

In addition to holding the line on prices here, Baker said Porsche will allow the price of is cars sold in Germany to climb over time to reflect the value of the vehicles in the U.S.

The approach taken to the Porsche buyer will also be somewhat different that the approach taken by other auto makers toward their customers. "We don't look on them as buyers as much as we see them as owners. And Porsche owners could be 10 or 15 years. We want to make Porsche ownership a pleasant experience," Baker said, and that goes beyond the purchase to include either maintaining the car on the part of the owner or bringing the vehicle in for servicing. In making all their contacts with the company as pleasant as possible, Baker said "we're almost in the entertainment business, not the car business."